



CITY OF AUBURN CALIFORNIA



Comprehensive

Annual

Financial

Report

Fiscal Year Ended June 30, 2016

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**City of Auburn,
California**

**Comprehensive Annual
Financial Report**

**For the Year Ended
June 30, 2016**

**Prepared By:
Administrative Services Department
Nita Wracker, Finance Director**

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CITY OF AUBURN
Comprehensive Annual Financial Report
For the Year Ended June 30, 2016

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INTRODUCTORY SECTION

- **Letter of Transmittal**
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City of Auburn

1225 Lincoln Way, Auburn CA 95603 • (530) 823-4211 • fax (530) 885-5508
www.auburn.ca.gov

January 20, 2017

To the Honorable Mayor, City Council and Citizens of Auburn:

THE COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF AUBURN

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Auburn for the Fiscal Year July 1, 2015 through June 30, 2016. Although addressed to the City's governing body and its citizens, the CAFR is intended also to provide relevant financial information to creditors, investors, and other interested parties. This transmittal letter provides a summary of City of Auburn finances, services, achievements and economic prospects for readers without a technical background. Those wishing a more detailed discussion of the City's financial results should refer to Management's Discussion and Analysis (MD&A) contained in the Financial Section of the CAFR.

The City of Auburn's management is solely responsible for the accuracy of the information contained in this report, the adequacy of its disclosures, and the fairness of its presentation. We believe this CAFR to be complete and reliable in all material respects. To provide a reasonable basis for making this representation, the City has established a system of internal controls designed to protect City assets from loss, to identify and record transactions accurately, and to compile the information necessary to produce financial statements in conformity with generally accepted accounting principles.

The City has contracted with Smith & Newell, CPAs, a firm of Certified Public Accountants licensed to practice in the State of California, to perform the annual independent audit. The auditors expressed an opinion that the City's financial statements for Fiscal Year 2015-16 are fairly stated and in compliance with accounting principles generally accepted in the United States. This conclusion is the most favorable kind and is commonly known as an "unqualified" or "clean" opinion. The independent auditor's report is included in the Financial Section of this report.

REPORTING ENTITY

The City of Auburn is a general-law City incorporated under California law, first in 1860 and again on May 2, 1888. The City operates under a council-manager form of government. The City's five Council Members are elected at-large and serve overlapping four-year terms. Annually, the City's five Council Members elect the position of Mayor and Mayor Pro Tempore, who serve one-year terms in this capacity. All elections are conducted on a non-partisan basis. The City Manager is appointed by the Council and serves as the chief administrative officer of the organization. The City Manager is responsible for administration of City affairs, day-to-day operations, and implementation of Council policies. The City's fiscal year begins on July 1 and ends June 30 of the following year.

The City provides a full range of municipal services including: police and fire protection; the construction and maintenance of streets and infrastructure; land use planning and zoning; building safety regulation and public inspection; and general administrative services. The City also operates the Auburn Municipal Airport and a wastewater treatment facility.

The City of Auburn covers approximately 7.5 square miles on the western slope of the Sierra Nevada Range and has an estimated population of 13,960. At the crossroads of Interstate 80 and Highway 49, Auburn is the county seat of Placer County and an important retail trade center. The City of Auburn and surrounding Auburn areas have emerged as a destination point for those enjoying a variety of activities including whitewater rafting, horseback riding, and hiking to the historic ambiance of the Old Town and Downtown areas providing unique shopping and dining experiences. In 2003, the Auburn City Council passed an official measure proclaiming Auburn as the Endurance Capital of the World. Auburn is home to some of the most challenging and historic endurance events on the planet, including the Auburn International Triathlon, the Tevis Cup Ride, and the Western States 100-mile Endurance Run and many other major events and activities in "the Endurance Capital of the World."

This report includes all funds of the City and the Auburn Public Finance Authority which are all governmental organizations that are controlled by or dependent upon actions taken by the City Council.

ECONOMIC CONDITION AND OUTLOOK

Since the economic recession of 2008 & 2009, the City continues experiencing positive revenue growth. For a fifth consecutive year, the City is: increasing fund balance in the General Fund; experiencing significant tax revenue growth; experiencing an uptick in building permits and related revenue; and positioned for major capital investments with adequate financing for the improvements. Simultaneously the City has made significant decisions concerning expenditures and implemented changes to avoid long-term costs. By consolidating multiple departments, eliminating positions and renegotiating labor contracts, service agreements and insurance policies, the City continues driving

expenditures down. Throughout the fiscal year, the City significantly managed expenditures of the General, and also received more tax revenues from sales and property tax. Due to these factors, the City's General Fund realized a \$2.8 million surplus in Fiscal Year 2015-16. This is the largest, one-year increase to the City's fund balance in history. It brings the City up to 52% of General Fund expenditures (per City Council Fund Balance Policy). 47% is pre-Recession level (FY06-07), the City's all-time high of 52% was in in Fiscal Year 2004-05. The City continues positioning itself to improve and enhance its viability in coming years

In February 2014, the California Public Employees Retirement System, or CalPERS, Board approved new actuarial assumptions to reflect the fund's recent experience. Most notably is the change to a new 20-year "mortality rate projection" which applies to all CalPERS groups. This assumption drastically impacts the City's finances over the course of the next several years. Similarly in spring 2015, CalPERS adjusted their long-term rate-of-return for determining actuarial valuations. Management will be diligent in addressing the financial burden that pensions now place on municipal budgets across the State.

The organization is committed to bringing new ideas and solutions to improve and enhance service delivery of existing programs while confronting the challenges of a seemingly ever-changing economic environment. To this end, the City will continue to evaluate citywide programs and services consistent with cost effectiveness and efficiency.

SIGNIFICANT EVENTS AND ACCOMPLISHMENTS

Highlights of activities and accomplishments for the fiscal year ended June 30, 2016 include the following:

- ❖ The City of Auburn's Fire Department's Insurance Services Office (ISO) rating improved from a Class 4 to a Class 3 rating effective August 1, 2016. This improvement in our rating moved the Auburn Fire Dept. from the top 22% to the top 8% in nation.
- ❖ First significant street overlay project in numerous years.
- ❖ Successfully negotiated to bring a PG&E corporate campus to the Auburn Airport Industrial Park that will result in the relocation of 325 PG&E full-time employees to the Airpark.
- ❖ Successfully negotiated successor memoranda of understanding (MOUs) with labor groups. Together, the City negotiated agreements with its labor groups which effectively ended the practice of unlimited vacation leave accruals, cash payouts for unused sick leave, and end future retiree health benefits.
- ❖ The City Clerk's Office administered a successful election whereas two new members were welcomed to the Auburn City Council.

LONG-TERM FINANCIAL PLANNING AND INITIATIVES

Fiscal Summary

The Fiscal Year 2016-17 Proposed Budget is \$11,472,057, representing an increase of 8.8% over the FY 2015-16 Adjusted Budget. This increase is primarily attributable to the following factors:

- ✓ \$550,000 budgeted from the General Fund for the Fiscal Year 2016-17 Street Paving Program.
- ✓ Total General Fund capital expenditures (less the \$550,000 for street overlay) of \$818,386 including deferred maintenance on public safety facilities, an Electrical Vehicle Charging Station, ADA Improvements to the Carnegie Library, and improvements to the Corporation Yard facility.
- ✓ Budgeted 8.0% increase to employee medical insurance premium costs.
- ✓ Approximately \$553,000 budgeted for CalPERS Unfunded Liability reduction, and increase of \$88,000 from the prior year.
- ✓ Negotiated salary increases.

Revenues:

Sales Tax is the largest single revenue source for the General Fund. The Fiscal Year 2016-17 Budget assumes a 6.5% decrease to sales tax collections below the 2015-16 Forecast. This decrease is primarily as a result of the end of the "Triple Flip" whereby a one-time payment of approximately \$800,000 in FY 2015-16 will not be received in FY 2016-17. Adjusting for the one-time payment, sales tax increases approximately 6% over the prior year. Sales tax represents 47% of total General Fund revenues.

Property Taxes are the second largest revenue source in the General Fund. For a third consecutive year, assessed valuation (AV) is anticipated to increase – this year by approximately 4% over the prior year. The improving economy is impacting property tax revenue which the City collects for services such as police, fire, administration and code enforcement. The City anticipates \$3.6 million in property tax revenue for Fiscal Year 2016-17, representing 32% of total revenues received in the General Fund.

Public Works:

Capital Improvement Plan: The budget adopted for Fiscal Year 2016-17 includes more than \$9.7 million appropriated for all capital projects. The City is attempting to identify alternative funding sources for public infrastructure including streets and sidewalks.

Community Development:

Community Development Block Grant Housing Rehabilitation and First-Time Homebuyer / Economic Development Loans: The City of Auburn will continue to offer housing rehabilitation and first-time homebuyer and economic development funds made available by a state grant to prospective citizens.

Public Safety:

In December 2014, oversight of operations and administration of the police and fire departments were consolidated under the Public Safety Director. As a result of this consolidation, the City was also able to retain three (3) firefighter positions which were funded through a FEMA Staffing for Adequate Fire and Emergency Response "SAFER" grant. In the fall of 2015, the City received another SAFER grant to hire an additional three (3) firefighters. These temporary, grant funded firefighters will increase the City's ability to respond to emergencies and also improve community education programs.

FINANCIAL INFORMATION

The City's management staff is responsible for establishing and maintaining internal controls that safeguard the assets of the government from loss, theft, or misuse and allow the compilation of adequate accounting data for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed its likely benefits and that the evaluation of costs and benefits is subject to management estimates and judgments.

Budgetary Controls

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the majority of the funds are included in the annual appropriated budget. Expenditure activities for certain funds are not considered during the annual budget process due to their reliance on revenues received. Budgetary control within each department is monitored at the major object level (employee salaries and benefits, services and supplies, other charges and capital assets). The level of budgetary control, at which expenditures in budgeted funds cannot legally exceed the budgeted amount, is at the departmental level. This means that the expenditures cannot legally exceed the amount appropriated by the City Council. If necessary, staff recommends budgetary changes during periodic financial status reports to the City Council.

The City continues to meet its responsibility for sound financial management as demonstrated by the statements and schedules included in the financial section of this report.

AWARD AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate for Excellence in Financial Reporting to the City of Auburn for its comprehensive annual financial report for the Fiscal Year ended June 30, 2015. This award, the ninth consecutive award for the City, recognizes the City's conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such report must satisfy both generally accepted accounting principles and applicable legal requirements.

The preparation of this CAFR represents the culmination of a concerted team effort by the entire staff of the Administrative Services Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In addition, staff in all City departments should be recognized for their timely and positive response to the requests for detailed information necessary to prepare the annual audit.

Finally, we wish to express our sincere appreciation to the Mayor and City Council for providing policy direction and a firm foundation of support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Larry Combs
City Manager



Nita Wracker
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Auburn
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO



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City of Auburn Comprehensive Annual Financial Report

2016

Project Team

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Nita Wracker, Finance Director

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Mary Freitas, Senior Accounting Technician

Christina Shafer, Accounting Technician

Special Assistance

John Ruffcorn, Public Safety Director

Bernie Schroeder, Planning & Public Works
Director

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CITY OF AUBURN
City Officials
For the Year Ended June 30, 2016

Dr. Bill Kirby..... Mayor
Matt Spokely. Vice Mayor
Daniel Berlant. Council Member
Bridget Powers..... Council Member
Keith Nesbitt. Council Member

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Citizens of Auburn

City of Auburn 2016 Organizational Chart

Boards & Commissions

Auburn City Council

City Clerk
Stephanie Snyder

City Manager
Larry Combs

City Treasurer
George Williams

Director of Finance
Nita Wracker

Emergency Services
John Ruffcorn

Planning & Public Works
Bernie Schroeder

Finance

Fire

Planning

Administration

Sewer

Airport

Personnel

Police

Building Inspections

Corp Yard

Information Technology

Police

Building Inspections

Maintenance

Transit

Sewer

Airport

Insurance Programs

Police

Building Inspections

Maintenance

Transit

Sewer

Airport



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FINANCIAL SECTION

- **Independent Auditor's Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Required Supplementary Information**
- **Combining and Individual Fund Statements and Schedules**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Auburn
Auburn, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Auburn, California (City), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Honorable Mayor and
Members of the City Council
City of Auburn
Auburn, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1S to the financial statements, in 2016, the City implemented Governmental Accounting Standards Board (GASB) Statement Nos. 72, 73, 76 and 79. Our opinion is not modified with respect to these matters.

As described in Note 12B, the net pension liability is measured as of June 30, 2015 and the pension expense is for the measurement period of 2014-2015. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, City Pension Plans-Schedule of Proportionate Share of the Net Pension Liability, City Pension Plans-Schedule of Contributions, Notes to the City Pension Plans, City OPEB Plan-Schedule of Funding Progress, budgetary comparison schedules and Notes to Budgetary Comparison Schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

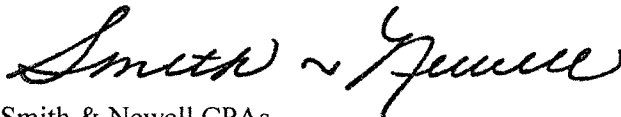
To the Honorable Mayor and
Members of the City Council
City of Auburn
Auburn, California

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 20, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Smith & Newell", written in a cursive, flowing style.

Smith & Newell CPAs
Yuba City, California
January 20, 2017

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**Management's Discussion and Analysis
(Unaudited)**

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CITY OF AUBURN

Management Discussion and Analysis June 30, 2016

Management's Discussion and Analysis

This section of the City of Auburn's (City) Comprehensive Annual Financial Report presents a discussion of the City's financial performance during the year ended June 30, 2016. Please read it in conjunction with the City's basic financial statements following this section.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2015-2016

- The assets of the City exceeded liabilities by \$41,174,766 (*total net position*). Of this amount, there is an unrestricted net position of (\$4,695,470) to meet long-term and ongoing obligations to citizens, employees and creditors. There is \$3,318,935 restricted for capital projects, debt service and legally segregated taxes, grants and fees.
- As of June 30, 2016, the City governmental funds reported combined fund balances of \$7,950,817. Approximately 63% of the combined fund balances, or \$5,088,061, is available to meet the City's current and future needs (*committed and unassigned fund balance*).
- An annual surplus of \$1,492,575 was realized in the City's General fund during the fiscal year. Total General fund balance as of June 30, 2016 was \$5,926,282 or 56% of budgeted expenditures for fiscal year 2015-2016.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) Government-Wide Financial Statements; 2) Fund Financial Statements; and 3) Notes to the Basic Financial Statements.

Government-Wide Financial Statements are designed to provide readers with a broad overview of City finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all City assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods, (e.g. uncollected taxes and earned but unused annual vacation and sick leave).

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, transportation, community development and recreation. The business-type activities of the City include an airport and wastewater treatment operating facility.

The government-wide financial statements can be found on pages 19-21 of this report.

CITY OF AUBURN

Management Discussion and Analysis June 30, 2016

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like any other state and local government, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a City's near-term financing requirements. The City considers revenues to be available if they are collected within 60 days after the fiscal year end.

The focus of governmental funds is narrower than that of the government-wide financial statements; it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison.

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General fund which is considered to be a major fund. The City maintains several individual governmental funds organized according to their type (special revenue and capital projects funds). Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in the report.

The governmental funds financial statements can be found on pages 22-25 of this report.

Proprietary funds are generally used to account for services for which the City charges customers – either outside customers, or internal units of departments within the City. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses proprietary funds to account for the Auburn Airport and the Wastewater Treatment Facility.

The proprietary funds financial statements can be found on pages 26-30 of this report.

Fiduciary funds are used to account for resources held for the benefit of the City's employees and parties outside the government. The City's other employee benefit trust fund, private purpose trust and agency funds are reported under the fiduciary funds. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary funds financial statements can be found on pages 31-32 of this report.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 33-67 of this report.

CITY OF AUBURN

Management Discussion and Analysis June 30, 2016

Required Supplementary Information is presented for the City's General fund including budgetary comparison schedules. The City adopts an annual appropriated budget in compliance with this budget.

The required supplementary information can be found on pages 68-76 of this report.

The combining and individual fund statements and schedules for non-major governmental funds and proprietary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 77-102 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This analysis focuses on the net position and changes in net position of the City as a whole.

Table 1
Condensed Statement of Net Position
June 30, 2016

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets:						
Current and other assets	\$ 9,384,361	\$ 8,233,342	\$ 8,349,581	\$ 10,973,366	\$ 17,733,942	\$ 19,206,708
Capital assets	20,862,927	21,347,533	30,390,580	27,552,740	51,253,507	48,900,273
Total Assets	30,247,288	29,580,875	38,740,161	38,526,106	68,987,449	68,106,981
Deferred Outflows of Resources:						
Pension adjustments	1,543,041	1,253,828	136,231	37,907	1,679,272	1,291,735
Total Deferred Outflows of Resources	1,543,041	1,253,828	136,231	37,907	1,679,272	1,291,735
Liabilities:						
Current and other liabilities	13,328,824	841,362	657,220	246,548	13,986,044	1,087,910
Long-term liabilities	5,527,958	16,138,033	8,477,514	9,437,479	14,005,472	25,575,512
Total Liabilities	18,856,782	16,979,395	9,134,734	9,684,027	27,991,516	26,663,422
Deferred Inflows of Resources:						
Pension adjustments	1,440,173	3,387,891	60,266	158,918	1,500,439	3,546,809
Total Deferred Inflows of Resources	1,440,173	3,387,891	60,266	158,918	1,500,439	3,546,809
Net Position:						
Net investment in capital assets	20,545,598	21,053,667	22,005,703	18,643,735	42,551,301	39,697,402
Restricted	2,759,672	3,413,170	559,263	559,263	3,318,935	3,972,433
Unrestricted	(11,811,896)	(13,999,420)	7,116,426	9,518,070	(4,695,470)	(4,481,350)
Total Net Position	\$ 11,493,374	\$ 10,467,417	\$ 29,681,392	\$ 28,721,068	\$ 41,174,766	\$ 39,188,485

Governmental Activities

The City's governmental net position amounted to \$11.493 million as of June 30, 2016, an increase of approximately \$1.2 million over the fiscal year ended June 30, 2015. This increase is the change in net position reflected in the Governmental Activities column of the Changes in Net Position, including pension adjustments reflected in Table 1. The City's net position from governmental activities as of June 30, 2016, comprised the following:

- Cash and investments comprised \$5,684,658 in the City treasury, \$555,455 of which is restricted in use. Substantially all of these amounts were held in short to medium term investments in governmental securities and corporate notes, as detailed in Note 3 to the financial statements.
- Current accounts, taxes and intergovernmental receivables comprised \$2,879,837, an increase of \$1,285,622 over the previous year.

CITY OF AUBURN

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- Loans receivable comprised approximately \$473,275, all of which represents loans provided by the City's Community Development Block Grant Program to support small business development.
- Capital assets of \$20.86 million, net of depreciation charges, which includes City infrastructure, buildings and improvements, equipment, land improvements and related construction in progress.
- Current liabilities, including accounts and interest payable, deposits and unearned revenues, comprised \$1,573,914.
- A net pension liability of \$11,113,136 and net OPEB obligation of \$641,774.
- Long-term liabilities comprised \$5,527,958, which includes Pension Obligation Bonds Series A-1 issued in 2006.
- Net position invested in capital assets net of related debt of \$20.5 million, a slight decrease over the previous year (\$21.05 million). This represents the City's investment in infrastructure and other capital assets used in governmental activities, net of amounts borrowed to finance that investment.
- Restricted net position totaling \$2.76 million, which may be used only to construct specified capital projects, debt service, or for community development, transportation projects and public safety programs.
- Unrestricted net position is part of net position that can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. The City had a negative unrestricted net position of (\$11,811,896) as of June 30, 2016. This is due to long-term pension obligations and is now shown in the financial statements per GASB No. 68.

Business-Type Activities

The City's business-type net position amounted to \$29.68 million as of June 30, 2016, increasing by approximately \$815,000 over the previous year. The increase in the change in net position experienced in the business-type funds occurred primarily as a result of making debt service payments for both the Airport and Sewer operations. Capitalized assets in the Airport and Sewer fund were related to sewer rehabilitation projects and improvements at the City's Wastewater Treatment Plant. The City's net position from business-type activities as of June 30, 2016, comprised the following:

- Cash and investments comprised \$7,942,278 in the City Treasury. Whereas, \$1,193,871 of which is restricted in use as detailed in Note 3 to the financial statements.
- Current accounts, taxes and intergovernmental receivables comprised \$274,810.
- Total capital assets of \$30.4 million, net of depreciation charges.
- Current liabilities, including accounts and interest payable, and deposits, comprised \$183,269.
- A net pension liability of \$453,201 and net OPEB obligation of \$20,750.
- Long-term liabilities comprised \$8,477,514.

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Management Discussion and Analysis June 30, 2016

- Net position invested in capital assets net of related debt of \$22 million, representing the City's investment in infrastructure and other capital assets used in business-type activities, net of amounts borrowed to finance that investment.
- Restricted net position totals \$559,263, and is related to a debt service reserve established for sewer revenue bonds.
- Unrestricted net position of \$7,116,426.

The following table indicates the changes in net position:

Table 2
Condensed Statement of Activities
For the Year Ended June 30,

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Program Revenues:						
Charges for services	\$ 926,756	\$ 955,540	\$ 6,561,193	\$ 6,306,297	\$ 7,487,949	\$ 7,261,837
Operating grants and contributions	2,329,220	3,652,206	-	84,249	2,329,220	3,736,455
Capital grants and contributions	-	19,666	-	-	-	19,666
Total Program Revenues	<u>3,255,976</u>	<u>4,627,412</u>	<u>6,561,193</u>	<u>6,390,546</u>	<u>9,817,169</u>	<u>11,017,958</u>
General Revenues:						
Property taxes	3,481,455	3,311,186	35,083	30,326	3,516,538	3,341,512
Sales and use taxes	4,227,963	3,291,054	-	-	4,227,963	3,291,054
In-lieu taxes	1,464,589	1,291,045	-	-	1,464,589	1,291,045
Franchise taxes	683,065	663,639	-	-	683,065	663,639
Other taxes	311,986	305,376	-	-	311,986	305,376
Grants and contributions - unrestricted	5,576	5,657	-	-	5,576	5,657
Interest and investment earnings	(38,649)	58,888	36,439	8,076	(2,210)	66,964
Miscellaneous	78,504	50,735	12,348	87	90,852	50,822
Total General Revenues	<u>10,214,489</u>	<u>8,977,580</u>	<u>83,870</u>	<u>38,489</u>	<u>10,298,359</u>	<u>9,016,069</u>
Total Revenues	<u>13,470,465</u>	<u>13,604,992</u>	<u>6,645,063</u>	<u>6,429,035</u>	<u>20,115,528</u>	<u>20,034,027</u>
Program Expenses:						
General government	1,125,600	1,889,941	-	-	1,125,600	1,889,941
Public safety	6,409,094	6,053,257	-	-	6,409,094	6,053,257
Transportation	3,569,520	2,137,436	-	-	3,569,520	2,137,436
Community development	891,621	1,513,541	-	-	891,621	1,513,541
Interest on long-term debt	228,595	243,174	-	-	228,595	243,174
Airport	-	-	856,554	760,253	856,554	760,253
Sewer	-	-	4,944,147	4,684,549	4,944,147	4,684,549
Total Expenses	<u>12,224,430</u>	<u>11,837,349</u>	<u>5,800,701</u>	<u>5,444,802</u>	<u>18,025,131</u>	<u>17,282,151</u>
Change in net position before Transfers	<u>1,246,035</u>	<u>1,767,643</u>	<u>844,362</u>	<u>984,233</u>	<u>2,090,397</u>	<u>2,751,876</u>
Transfers	<u>28,908</u>	<u>44,974</u>	<u>(28,908)</u>	<u>(44,974)</u>	<u>-</u>	<u>-</u>
Change in net position	<u>1,274,943</u>	<u>1,812,617</u>	<u>815,454</u>	<u>939,259</u>	<u>2,090,397</u>	<u>2,751,876</u>
Net Position - Beginning	10,467,417	24,912,300	28,721,068	28,325,769	39,188,485	53,238,069
Prior Period Adjustment	(248,986)	452,584	144,870	-	(104,116)	452,584
Cumulative effect of change in accounting principle	-	(16,710,084)	-	(543,960)	-	(17,254,044)
Net Position - Beginning, Restated	<u>10,218,431</u>	<u>8,654,800</u>	<u>28,865,938</u>	<u>27,781,809</u>	<u>39,084,369</u>	<u>36,436,609</u>
Net Position - Ending	<u>\$ 11,493,374</u>	<u>\$ 10,467,417</u>	<u>\$ 29,681,392</u>	<u>\$ 28,721,068</u>	<u>\$ 41,174,766</u>	<u>\$ 39,188,485</u>

CITY OF AUBURN

Management Discussion and Analysis June 30, 2016

Governmental Activities

Governmental activities net position increased to \$11,493,374 during fiscal year 2015-16.

As Table 2 above shows, \$3.2 million of the City's fiscal year 2015-16 revenue derived from the program revenues, while \$10.2 million is derived from general revenues such as taxes, rents and interest.

Program revenues are composed of fees and charges for service of \$926,000 that include permit revenues, fees and charges used to fund expenses incurred in providing services; and \$2.3 million of operating grants and contributions which include gas tax, transportation development allocations, transportation grants, and public safety allocations and grants.

General revenues are not allocable to programs but are used to pay for the net costs of governmental programs.

Business-type Activities

Business-type activities net position combined to increase to \$29,681,392 during fiscal year 2015-16. The majority of the increase in net position can be attributed to increased collections of operating revenues from sewer rates and repayment of debt in both the Airport and Sewer Enterprise funds.

Net position in the City's Airport fund decreased by \$160,000 during fiscal year 2015-16. The nominal decrease is primarily attributable to increased operational costs of the Auburn Municipal Airport incurred for allocations of salaries, benefits, services and supplies.

Net position in the City's Sewer fund increased \$944,427 during fiscal year 2015-16. The increase can be attributed to net operating income which includes the effects of increased collections of sewer use charges.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The general government functions are contained in the General, Special Revenue and Capital Project funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unrestricted fund balance (committed and unassigned)* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

CITY OF AUBURN

Management Discussion and Analysis June 30, 2016

Table 3 represents the amount of governmental fund revenue from various sources:

Table 3
Revenues Classified by Source
Governmental Funds
For the Fiscal Years Ended June 30,

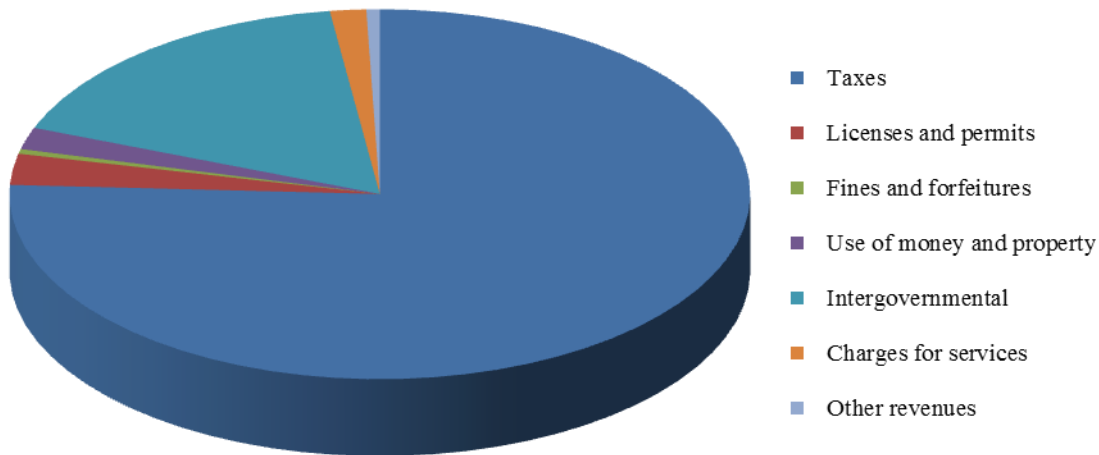
	<u>2016</u>	<u>2015</u>	<u>Variance</u>	<u>% Change</u>
Revenues by Source:				
Taxes	\$ 10,169,058	\$ 8,871,408	\$ 1,297,650	14.63%
Licenses and permits	363,765	425,675	(61,910)	-14.54%
Fines and forfeitures	55,479	48,391	7,088	14.65%
Use of money and property	257,104	354,682	(97,578)	-27.51%
Intergovernmental	2,282,180	3,677,529	(1,395,349)	-37.94%
Charges for services	211,759	185,680	26,079	14.05%
Other revenues	78,504	50,735	27,769	54.73%
Total Revenues	<u>\$ 13,417,849</u>	<u>\$ 13,614,100</u>	<u>\$ (196,251)</u>	<u>-1.44%</u>

- (1) Collections of taxes increased by \$1.3 million, primarily as a result of increasing tax revenue in the General fund from increased collections of property and sales taxes.
- (2) Collections of licenses and permits decreased by \$61,910 due primarily to a slight decrease of activity in building permit and development-related revenues.
- (3) Collections of fines, forfeitures and penalties increased by \$7,088 due to higher collections of traffic and civil fines.
- (4) Collections of revenues related to the use of money and property decreased by \$97,578 due to decreased rates of return on the City's pool of investments.
- (5) Collections of intergovernmental revenues decreased by \$1.4 million due to grant revenues related to transportation and miscellaneous public safety grants.
- (6) Collections of charges for services increased by \$26,079 for activities like plan checks, engineering reviews and planning & zoning fees.
- (7) Collections of other revenues decreased by \$27,769.

CITY OF AUBURN

Management Discussion and Analysis June 30, 2016

Revenues by Source Governmental Funds - Fiscal Year 2015-16



The following table presents expenditures by function:

Table 4
Expenditures by Function
Governmental Funds
For the Fiscal Years Ended June 30,

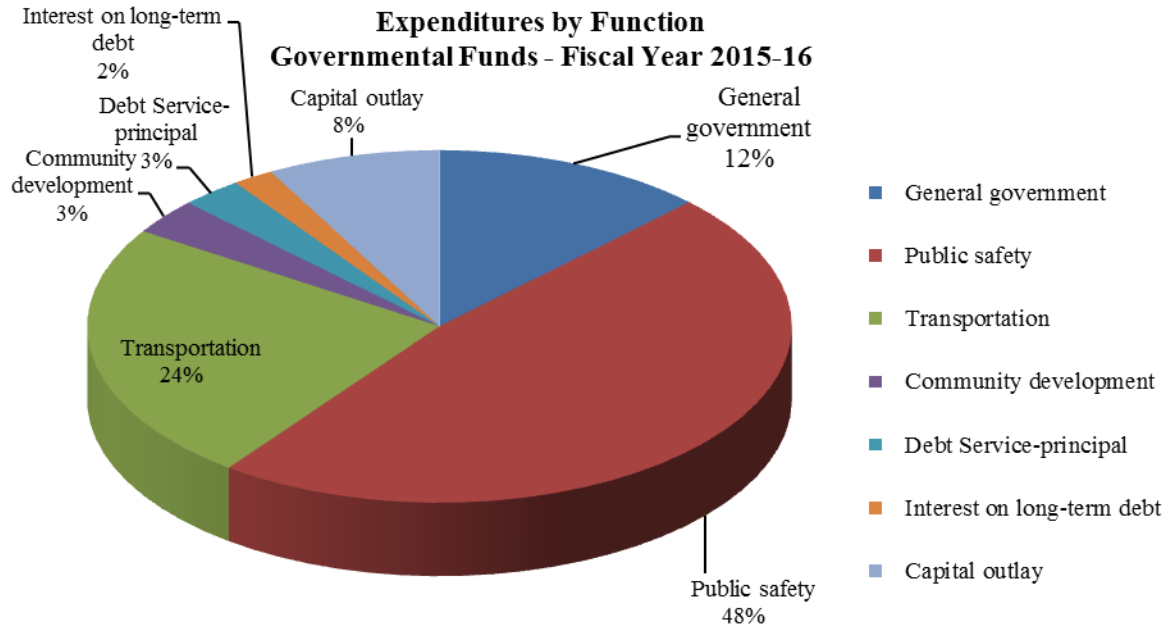
	2016	2015	Variance	% Change
Expenditures by Function				
General government	\$ 1,624,101	\$ 1,535,156	\$ 88,945	5.79%
Public safety	6,166,998	5,970,331	196,667	3.29%
Transportation	3,092,363	2,065,210	1,027,153	49.74%
Community development	423,018	625,686	(202,668)	-32.39%
Debt Service-principal	363,856	359,490	4,366	1.21%
Interest on long-term debt	243,633	254,807	(11,174)	-4.39%
Capital outlay	1,030,281	1,073,781	(43,500)	-4.05%
Total Expenditures	\$ 12,944,250	\$ 11,884,461	\$ 1,059,789	8.92%

The \$1 million net increase in governmental fund expenditures during the fiscal year 2015-16 can be primarily attributed to the following:

- (1) A \$196,667 increase in public safety expenditures as a result of increased personnel and operating expenses. During fiscal year 2015-16 the City received a second FEMA SAFER grant allowing it to hire three (3) additional firefighters.
- (2) A \$1,027,153 increase in transportation expenditures as a result of scheduled increases in wages as well as expenditures related to sidewalk and street project.

CITY OF AUBURN

Management Discussion and Analysis June 30, 2016



The **General fund** is the main operating fund of the City, and accounts for general operations including public safety, community development, and administration. The City experienced an increase in tax revenue of 14.7 percent, or \$1.3 million. The beginning General fund balance for the fiscal year 2015-16 adopted budget was \$4,635,345 (as shown in the Required Supplemental Information). The original adopted budget anticipated an increase in the fund balance in the amount of \$239,975 for an adopted ending fund balance of \$4,875,320. Each year, the City Council approves mid-year adjustments to the budget including in fiscal year 2015-16. Budget adjustments were made to citywide revenues of sales tax and building permits based on actual collections. Also, adjustments were done at a departmental level to account for Council and management directives to consolidate departments and pursue efficiencies within department operations. The mid-year adjustments increased revenue authority and decreased spending authority for the General fund, resulting in an anticipated ending General fund balance of \$5,625,249.

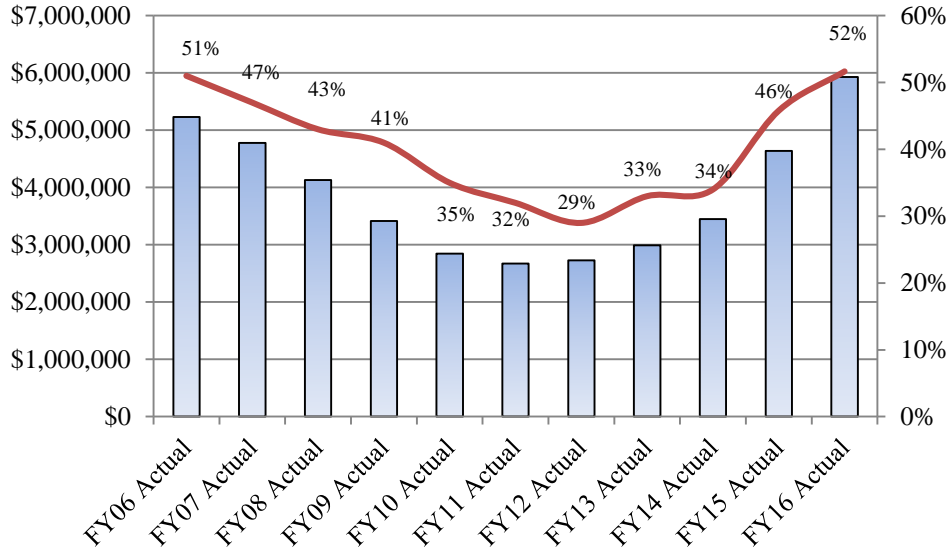
At June 30, 2016, committed and unassigned fund balance of the General fund was \$5,823,198, while fund balance totaled \$5,926,282. Total fund balance *increased by approximately \$1.2 million* when compared to last year, primarily as a result of increased revenues from tax collections and management's conscious decisions to reduce operational costs through department reorganization, consolidation and gaining efficiencies. The City has utilized fund balance to offset decreased revenues during the recent economic downturn and has now added increased fund balance for five consecutive years. This annual increase represents the largest annual increase to fund balance in the City's history and has restored the General fund balance to pre-Recession levels.

As measures of the General fund's ability to meet operating expenditures, it is useful to note that committed and unassigned fund balance represents 58% of total General fund expenditures for fiscal year 2015-16.

CITY OF AUBURN

Management Discussion and Analysis June 30, 2016

**Table 5
Fund Balance History
General Fund**



The following table presents the amount of revenue from various sources within the General fund:

**Table 6
General Fund Revenues by Source
For the Fiscal Years Ended June 30,**

	2016	2015	Variance	% Change
Revenues by Source				
Taxes and assessments	\$ 10,027,755	\$ 8,770,371	\$ 1,257,384	14.34%
Licenses and permits	335,071	364,654	(29,583)	-8.11%
Fines and forfeitures	55,479	48,391	7,088	14.65%
Use of money and property	247,734	288,473	(40,739)	-14.12%
Other governmental agencies	441,875	885,852	(443,977)	-50.12%
Charges for services	186,396	156,426	29,970	19.16%
Other revenues	38,207	49,274	(11,067)	-22.46%
Total Revenues	\$ 11,332,517	\$ 10,563,441	\$ 769,076	7.28%

CITY OF AUBURN

Management Discussion and Analysis June 30, 2016

Similarly, the following table presents expenditures, by source, within the General fund:

Table 7
General Fund Expenditures by Function
For the Fiscal Years Ended June 30,

	2016	2015	Variance	% Change
Expenditures by Function				
Current:				
General government	\$ 1,557,559	\$ 1,496,029	\$ 61,530	4.11%
Public safety	5,939,954	5,764,857	175,097	3.04%
Transportation	1,324,417	961,639	362,778	37.72%
Community Development	411,592	602,178	(190,586)	-31.65%
Debt Service:				
Principal	347,245	359,490	(12,245)	-3.41%
Interest and other charges	240,838	254,807	(13,969)	-5.48%
Capital outlay	301,878	140,655	161,223	114.62%
Total Expenditures	\$ 10,123,483	\$ 9,579,655	\$ 543,828	5.68%

Enterprise Funds. The City has two Enterprise funds – the Airport fund and the Sewer fund. The City’s Enterprise funds generally account for services charged to external or internal customers through fees.

The following table presents the amount of revenue from various sources:

Table 8
Revenues Classified by Source
Proprietary Funds
For the Fiscal Years Ended June 30,

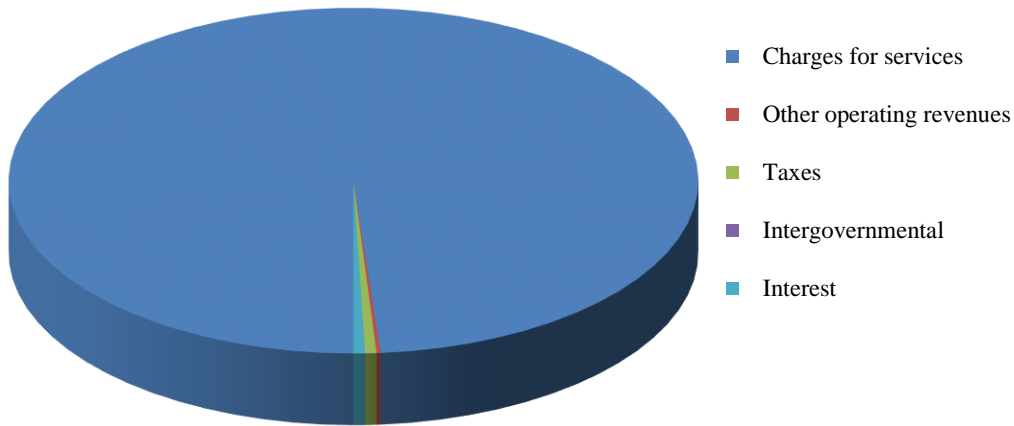
	2016	2015	Variance	% Change
Revenues by Source:				
Operating revenues				
Charges for services	\$ 6,561,193	\$ 6,306,297	\$ 254,896	4.04%
Other operating revenues	12,348	87	12,261	14093.10%
Non-operating revenues				
Taxes	35,083	30,326	4,757	15.69%
Intergovernmental	-	84,249	(84,249)	-100.00%
Interest	36,439	8,076	28,363	351.20%
Total Revenues	\$ 6,645,063	\$ 6,429,035	\$ 216,028	3.36%

Total revenues for business-type activities increased \$216,028 from fiscal year 2014-15 to fiscal year 2015-16. The increase is primarily due to increased charges for services related to collections of sewer fees pursuant to a rate increase implemented at the beginning of fiscal year 2015-16.

CITY OF AUBURN

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Revenues by Source Proprietary Funds - Fiscal Year 2015-16



The following table represents expenditures for the City's proprietary funds:

Table 9
Expenses by Type
Proprietary Funds
For the Fiscal Years Ended June 30,

	<u>2016</u>	<u>2015</u>	<u>Variance</u>	<u>% Change</u>
Expenses by Type:				
Operating expenses				
Salaries and benefits	\$ 366,821	\$ 518,654	\$ (151,833)	-29.27%
Services and supplies	2,225,241	2,170,820	54,421	2.51%
Maintenance	1,336,859	1,236,084	100,775	8.15%
Depreciation	1,434,585	1,068,691	365,894	34.24%
Non-operating expenses				
Interest and amortization	437,195	450,553	(13,358)	-2.96%
Transfers	28,908	44,974	(16,066)	-35.72%
Total Expenses	<u>\$ 5,829,609</u>	<u>\$ 5,489,776</u>	<u>\$ 339,833</u>	<u>6.19%</u>

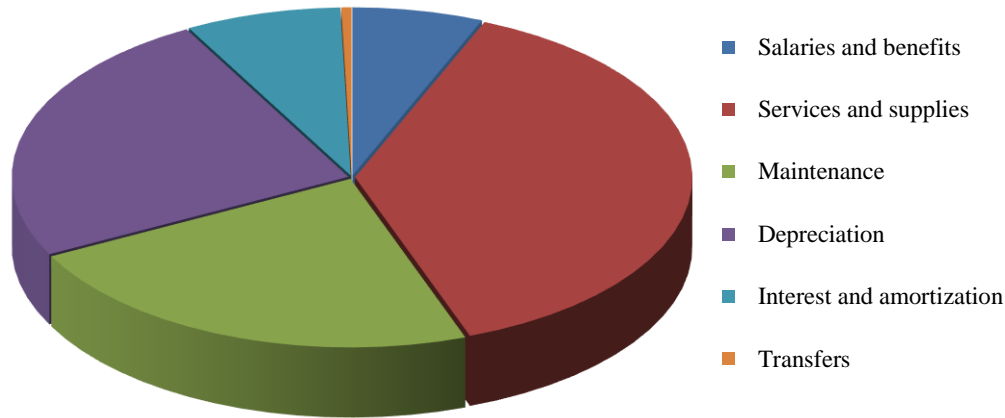
The \$355,899 net increase in proprietary fund expenses during fiscal year 2015-16 can be primarily attributed to the following:

- (1) A \$365,894 increase depreciation;
- (2) A \$100,775 increase in maintenance expenses related to Sewer and Airport enterprise operations.

CITY OF AUBURN

Management Discussion and Analysis June 30, 2016

Expenses by Type Proprietary Funds - Fiscal Year 2015-16



CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital assets for the governmental and business-type activities are presented below to illustrate changes from the prior year:

Table 10
Capital Assets at End of Fiscal Year

	Governmental Activities		Business-Type Activities	
	2016	2015	2016	2015
Land	\$ 350,000	\$ 350,000	\$ 2,874,395	\$ 2,874,395
Infrastructure	6,520,014	6,314,227	30,480,008	23,322,449
Buildings and improvements	5,292,830	5,261,972	-	-
Equipment	7,964,283	7,263,172	2,689,822	2,139,439
Land improvements	15,010,447	15,001,342	-	-
Construction in progress	763,407	594,432	8,158,241	11,593,758
Accumulated depreciation	(15,038,054)	(13,437,612)	(13,811,886)	(12,377,301)
Total	\$ 20,862,927	\$ 21,347,533	\$ 30,390,580	\$ 27,552,740

The City's investment in capital assets for its governmental activities as of June 30, 2016 totaled approximately \$20.86 million (net of accumulated depreciation). The City's investment in capital assets for its business-type activities as of June 30, 2016 totaled approximately \$30.39 million (net of accumulated depreciation). The investment in capital assets includes land, infrastructure, buildings and improvements, equipment and construction in progress.

More detailed information about the City's capital assets is presented in Note 4 to the financial statements.

CITY OF AUBURN

Management Discussion and Analysis June 30, 2016

Debt Administration

The following schedule shows the changes in long-term debt for the fiscal year ended June 30, 2016.

Table 11
Long-Term Debt

	Governmental Activities		Business-Type Activities	
	2016	2015	2016	2015
Pension obligation bonds	\$ 3,700,000	\$ 3,930,000	\$ -	\$ -
Loans payable	-	-	1,154,807	1,507,628
Revenue bonds	-	-	7,230,070	7,401,377
Capital leases	317,329	293,866	-	-
Compensated absences	1,510,629	1,440,684	92,637	86,265
Total	\$ 5,527,958	\$ 5,664,550	\$ 8,477,514	\$ 8,995,270

The City's total long-term debt for governmental activities decreased by \$136,592 primarily due to principal and interest payments made for pension obligation bonds, capital leases and compensated absences.

The City's total debt for its business-type activities decreased \$517,756 primarily as a result of contributions towards outstanding loans, and making principal and interest payments on outstanding revenue bonds for debt service related to the City's Wastewater Treatment Facility Upgrade.

Additional information on the City's long-term debt is presented in Note 6 to the financial statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's budget is customarily presented to and adopted by the City Council prior to the beginning of the fiscal year that begins July 1 and ends on June 30. The City Council approved the budget in July 2015. Subsequent to the adoption of the annual budget, the budget was reviewed in April 2016 and necessary budget adjustments were approved by City Council.

For the General fund, the fiscal year 2015-16 original budget was approved in July 2015, and estimated approximately \$10 million in revenue sources and allocated \$9.9 million in appropriations. During the first six months of the fiscal year, primarily as a result of disciplined management decisions regarding long-term sustainability of the organization, the City made changes to affect expenditures adopted in the budget. Simultaneously, actual collections of revenues for the fiscal year amounted to \$11.3 million and actual expenditures incurred amounted to only \$10.1 million.

At the end of the fiscal year, approximately \$1.4 million was added to General fund balance, leading to an ending total fund balance in the General fund of \$5,926,282.

CITY OF AUBURN

Management Discussion and Analysis June 30, 2016

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The budget developed for fiscal year 2016-17 was adopted by the City Council on June 27, 2016. The General fund budget approved by the City Council anticipates \$11,272,794 in revenues and \$11,472,794 in expenditures. The City will continue to closely monitor economic activity along with actions taken by regional and state governments that may impact the City's budget.

Revenue growth rates for development-related fees are expected to remain relatively flat, while collections of sales and property taxes are expected to increase in the wake of rising fuel prices, local business expansion, and a continued recovery in the residential real estate market citywide. The fiscal year 2016-17 General fund budget also anticipates increasing expenditures for employee salaries, medical insurance and several years of increased costs related to pension obligations. To prevent further earmarking of fund balance, the City is expected to continue reviewing citywide programs consistent with cost effectiveness and efficiency.

All of the above information was considered in preparing the City's budget for fiscal year 2016-17.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances, and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City of Auburn
Department of Administrative Services
1225 Lincoln Way, Room 1
Auburn, CA 95603
530-823-4211, ext. 110

Or, you may visit the City's website at www.auburn.ca.gov for contact information.

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Basic Financial Statements

- **Government-Wide Financial Statements**

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CITY OF AUBURN
Statement of Net Position
June 30, 2016

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
ASSETS			
Cash and investments	\$ 5,129,203	\$ 6,748,407	\$ 11,877,610
Receivables:			
Accounts	152,583	274,417	427,000
Taxes	2,129,949	393	2,130,342
Intergovernmental	597,305	-	597,305
Prepaid costs	108,150	132,493	240,643
Prepaid insurance	234,949	-	234,949
Due from other agencies	3,492	-	3,492
Restricted cash and investments	555,455	1,193,871	1,749,326
Loans receivable	473,275	-	473,275
Capital assets:			
Non-depreciable	1,113,407	11,032,636	12,146,043
Depreciable, net	19,749,520	19,357,944	39,107,464
Total capital assets	<u>20,862,927</u>	<u>30,390,580</u>	<u>51,253,507</u>
Total Assets	<u>30,247,288</u>	<u>38,740,161</u>	<u>68,987,449</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension adjustments	<u>1,543,041</u>	<u>136,231</u>	<u>1,679,272</u>
Total Deferred Outflows of Resources	<u>1,543,041</u>	<u>136,231</u>	<u>1,679,272</u>
LIABILITIES			
Accounts payable	1,089,745	124,990	1,214,735
Accrued salaries and benefits	235,711	9,997	245,708
Accrued interest payable	192,986	34,007	226,993
Deposits payable	55,472	14,275	69,747
Net pension liability	11,113,136	453,201	11,566,337
Net OPEB obligation	641,774	20,750	662,524
Long-term liabilities:			
Due within one year	896,735	519,662	1,416,397
Due in more than one year	4,631,223	7,957,852	12,589,075
Total Liabilities	<u>18,856,782</u>	<u>9,134,734</u>	<u>27,991,516</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension adjustments	<u>1,440,173</u>	<u>60,266</u>	<u>1,500,439</u>
Total Deferred Inflows of Resources	<u>1,440,173</u>	<u>60,266</u>	<u>1,500,439</u>

The notes to the basic financial statements are an integral part of this statement.

Continued (Page 1 of 2)

CITY OF AUBURN
Statement of Net Position
June 30, 2016

	Governmental Activities	Business-Type Activities	Totals
NET POSITION			
Net investment in capital assets	\$ 20,545,598	\$ 22,005,703	\$ 42,551,301
Restricted for:			
General government	139,655	-	139,655
Public safety	791,229	-	791,229
Transportation	5,066	-	5,066
Community development	880,174	-	880,174
Capital projects	943,548	-	943,548
Debt service	-	559,263	559,263
Unrestricted	(11,811,896)	7,116,426	(4,695,470)
Total Net Position	\$ 11,493,374	\$ 29,681,392	\$ 41,174,766

The notes to the basic financial statements are an integral part of this statement.

Continued (Page 2 of 2)

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CITY OF AUBURN
Statement of Activities
For the Year Ended June 30, 2016

Functions/Programs:	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			Capital Grants and Contributions
General government	\$ 1,125,600	\$ 549,138	\$ -
Public safety	6,409,094	24,680	736,401
Transportation	3,569,520	352,938	1,565,329
Recreation and culture	-	-	13,594
Community development	891,621	-	13,896
Interest on long-term debt	228,595	-	-
Total Governmental Activities	12,224,430	926,756	2,329,220
Business-Type activities:			
Airport	856,554	680,150	-
Sewer	4,944,147	5,881,043	-
Total Business-Type Activities	5,800,701	6,561,193	-
Total	\$ 18,025,131	\$ 7,487,949	\$ 2,329,220
General revenues:			
Taxes:			
Property taxes			
Sales and use taxes			
In-lieu taxes			
Franchise taxes			
Transient occupancy taxes			
Other taxes			
Grants and contributions - unrestricted			
Interest and investment earnings			
Miscellaneous			
Transfers			
Total General Revenues and Transfers			
Change in Net Position			
Net Position - Beginning			
Prior period adjustment			
Net Position - Beginning, Restated			
Net Position - Ending			

The notes to the basic financial statements are an integral part of this statement.

**Net (Expense) Revenue and
Changes in Net Position**

Governmental Activities	Business- Type Activities	Totals
\$ (576,462)	\$ -	\$ (576,462)
(5,648,013)	-	(5,648,013)
(1,651,253)	-	(1,651,253)
13,594	-	13,594
(877,725)	-	(877,725)
(228,595)	-	(228,595)
(8,968,454)	-	(8,968,454)
-	(176,404)	(176,404)
-	936,896	936,896
-	760,492	760,492
(8,968,454)	760,492	(8,207,962)
3,481,455	35,083	3,516,538
4,227,963	-	4,227,963
1,464,589	-	1,464,589
683,065	-	683,065
239,656	-	239,656
72,330	-	72,330
5,576	-	5,576
(38,649)	36,439	(2,210)
78,504	12,348	90,852
28,908	(28,908)	-
10,243,397	54,962	10,298,359
1,274,943	815,454	2,090,397
10,467,417	28,721,068	39,188,485
(248,986)	144,870	(104,116)
10,218,431	28,865,938	39,084,369
<u>\$ 11,493,374</u>	<u>\$ 29,681,392</u>	<u>\$ 41,174,766</u>

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Basic Financial Statements

- **Fund Financial Statements**

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CITY OF AUBURN
Balance Sheet
Governmental Funds
June 30, 2016

	General Fund	Transportation	Other Governmental Funds	Totals
ASSETS				
Cash and investments	\$ 3,376,237	\$ -	\$ 1,752,966	\$ 5,129,203
Receivables:				
Accounts	115,171	-	37,412	152,583
Taxes	2,129,949	-	-	2,129,949
Intergovernmental	220,728	202,822	173,755	597,305
Due from other funds	962,673	-	10,000	972,673
Prepaid costs	103,084	-	5,066	108,150
Prepaid insurance	234,949	-	-	234,949
Restricted cash and investments	117,619	-	437,836	555,455
Loans receivable	-	-	473,275	473,275
Total Assets	<u>\$ 7,260,410</u>	<u>\$ 202,822</u>	<u>\$ 2,890,310</u>	<u>\$ 10,353,542</u>
LIABILITIES				
Accounts payable	\$ 993,626	\$ 60,198	\$ 35,921	\$ 1,089,745
Accrued salaries and benefits	223,732	-	11,979	235,711
Deposits payable	54,154	-	1,318	55,472
Due to other funds	10,000	507,633	451,548	969,181
Total Liabilities	<u>1,281,512</u>	<u>567,831</u>	<u>500,766</u>	<u>2,350,109</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	52,616	-	-	52,616
Total Deferred Inflows of Resources	<u>52,616</u>	<u>-</u>	<u>-</u>	<u>52,616</u>
FUND BALANCES				
Nonspendable	103,084	-	5,066	108,150
Restricted	-	-	2,754,606	2,754,606
Committed	2,700,000	-	-	2,700,000
Unassigned	3,123,198	(365,009)	(370,128)	2,388,061
Total Fund Balances	<u>5,926,282</u>	<u>(365,009)</u>	<u>2,389,544</u>	<u>7,950,817</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,260,410</u>	<u>\$ 202,822</u>	<u>\$ 2,890,310</u>	<u>\$ 10,353,542</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF AUBURN
Reconciliation of the Governmental Funds Balance
Sheet to the Government-Wide Statement of
Net Position - Governmental Activities
June 30, 2016

Total Fund Balance - Total Governmental Funds	\$ 7,950,817
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	20,862,927
Other long term assets are not available to pay for current period expenditures and therefore, are reported as unavailable revenues in the governmental funds.	52,616
Deferred outflows of resources related to pensions are not reported in the governmental funds.	1,543,041
Deferred inflows of resources related to pensions are not reported in the governmental funds.	(1,440,173)
Interest payable on long-term debt does not require the use of current financial resources and therefore, is not accrued as a liability in the governmental funds balance sheets.	(192,986)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	
Pension obligation bonds payable	(3,700,000)
Capital leases payable	(317,329)
Compensated absences	(1,510,629)
Net pension liability	(11,113,136)
Net OPEB obligation	(641,774)
Net Position of Governmental Activities	<u><u>\$ 11,493,374</u></u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF AUBURN
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	General Fund	Transportation	Other Governmental Funds	Totals
REVENUES				
Taxes	\$ 10,027,755	\$ -	\$ 141,303	\$ 10,169,058
Licenses and permits	335,071	-	28,694	363,765
Fines and forfeitures	55,479	-	-	55,479
Use of money and property	247,734	(8,631)	18,001	257,104
Intergovernmental	441,875	573,481	1,266,824	2,282,180
Charges for services	186,396	-	25,363	211,759
Other revenues	38,207	-	40,297	78,504
Total Revenues	11,332,517	564,850	1,520,482	13,417,849
EXPENDITURES				
Current:				
General government	1,557,559	-	66,542	1,624,101
Public safety	5,939,954	-	227,034	6,166,988
Transportation	1,324,417	869,756	898,190	3,092,363
Community development	411,592	-	11,426	423,018
Debt service:				
Principal	347,245	-	16,611	363,856
Interest and other charges	240,838	-	2,795	243,633
Capital outlay	301,878	284,272	444,131	1,030,281
Total Expenditures	10,123,483	1,154,028	1,666,729	12,944,240
Excess of Revenues Over (Under) Expenditures	1,209,034	(589,178)	(146,247)	473,609
OTHER FINANCING SOURCES (USES)				
Issuance of debt	99,876	-	-	99,876
Transfers in	196,294	431,388	-	627,682
Transfers out	(12,629)	-	(586,145)	(598,774)
Total Other Financing Sources (Uses)	283,541	431,388	(586,145)	128,784
Net Change in Fund Balances	1,492,575	(157,790)	(732,392)	602,393
Fund Balances - Beginning	4,635,345	(207,219)	3,171,878	7,600,004
Prior period adjustment	(201,638)	-	(49,942)	(251,580)
Fund Balances - Beginning, Restated	4,433,707	(207,219)	3,121,936	7,348,424
Fund Balances - Ending	\$ 5,926,282	\$ (365,009)	\$ 2,389,544	\$ 7,950,817

The notes to the basic financial statements are an integral part of this statement.

CITY OF AUBURN
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2016

Net Change in Fund Balances - Total Governmental Funds	\$ 602,393
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital outlay	1,030,281
Less: current year depreciation	(1,574,924)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal retirements	363,856
Issuance of debt	(99,876)

Some revenues reported in the statement of activities will not be collected for several months after the City's year end and do not provide current financial resources and therefore are not reported as revenues in the governmental funds.

Change in unavailable revenue	52,616
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Certain changes in deferred outflows and deferred inflows of resources reported in the Statement of Activities relate to long-term liabilities and are not reported in the governmental funds.

Change in deferred outflows of resources related to pensions	597,844
Change in deferred inflows of resources related to pensions	1,639,087

Some expenses reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in compensated absences payable	(69,945)
Change in accrued interest payable	15,038
Change in net pension liability	(1,176,368)
Change in net OPEB obligation	(105,059)

Change in Net Position of Governmental Activities	\$ 1,274,943
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The notes to the basic financial statements are an integral part of this statement.

CITY OF AUBURN
Statement of Net Position
Proprietary Funds
June 30, 2016

	Business-Type Activities		
	Enterprise Funds		
	Airport	Sewer	Totals
ASSETS			
Current Assets:			
Cash and investments	\$ 629,417	\$ 6,118,990	\$ 6,748,407
Receivables:			
Accounts	1,716	272,701	274,417
Taxes	393	-	393
Prepaid costs	78	132,415	132,493
Total Current Assets	631,604	6,524,106	7,155,710
Noncurrent Assets:			
Restricted cash and investments	15,025	1,178,846	1,193,871
Capital assets:			
Non-depreciable	6,830,812	4,201,824	11,032,636
Depreciable, net	3,844,363	15,513,581	19,357,944
Total Noncurrent Assets	10,690,200	20,894,251	31,584,451
Total Assets	11,321,804	27,418,357	38,740,161
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension adjustments	-	136,231	136,231
Total Deferred Outflows of Resources	-	136,231	136,231
LIABILITIES			
Current Liabilities:			
Accounts payable	45,713	79,277	124,990
Accrued salaries and benefits	1,143	8,854	9,997
Accrued interest payable	3,241	30,766	34,007
Deposits payable	14,275	-	14,275
Compensated absences payable	-	12,604	12,604
Bonds payable	-	176,307	176,307
Loans payable	95,556	235,195	330,751
Total Current Liabilities	159,928	543,003	702,931
Noncurrent Liabilities:			
Compensated absences payable	-	80,033	80,033
Bonds payable	-	7,053,763	7,053,763
Loans payable	64,444	759,612	824,056
Net pension liability	-	453,201	453,201
Net OPEB obligation	-	20,750	20,750
Total Noncurrent Liabilities	64,444	8,367,359	8,431,803
Total Liabilities	224,372	8,910,362	9,134,734

The notes to the basic financial statements are an integral part of this statement.

CITY OF AUBURN
Statement of Net Position
Proprietary Funds
June 30, 2016

	Business-Type Activities		
	Enterprise Funds		
	Airport	Sewer	Totals
DEFERRED INFLOWS OF RESOURCES			
Pension adjustments	\$ -	\$ 60,266	\$ 60,266
Total Deferred Inflows of Resources	-	60,266	60,266
NET POSITION			
Net investment in capital assets	10,515,175	11,490,528	22,005,703
Restricted for debt service	-	559,263	559,263
Unrestricted	582,257	6,534,169	7,116,426
Total Net Position	<u>\$ 11,097,432</u>	<u>\$ 18,583,960</u>	<u>\$ 29,681,392</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF AUBURN
Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2016

	Business-Type Activities		
	Enterprise Funds		
	Airport	Sewer	Totals
OPERATING REVENUES			
Charges for services:			
User fees and charges	\$ 103,629	\$ 5,812,668	\$ 5,916,297
Connection fees	-	68,375	68,375
Rents and concessions	576,521	-	576,521
Other revenues	12,348	-	12,348
Total Operating Revenues	692,498	5,881,043	6,573,541
OPERATING EXPENSES			
Salaries and benefits	135,114	231,707	366,821
Services and supplies	196,930	2,028,311	2,225,241
Maintenance	119,358	1,217,501	1,336,859
Depreciation	394,644	1,039,941	1,434,585
Total Operating Expenses	846,046	4,517,460	5,363,506
Operating Income (Loss)	(153,548)	1,363,583	1,210,035
NONOPERATING REVENUES (EXPENSES)			
Taxes	35,083	-	35,083
Interest income	-	36,439	36,439
Interest expense	(10,508)	(422,994)	(433,502)
Amortization	-	(3,693)	(3,693)
Total Nonoperating Revenues (Expenses)	24,575	(390,248)	(365,673)
Income (Loss) before Transfers	(128,973)	973,335	844,362
Transfers in	-	12,629	12,629
Transfers out	-	(41,537)	(41,537)
Change in Net Position	(128,973)	944,427	815,454
Total Net Position - Beginning	11,258,180	17,462,888	28,721,068
Prior period adjustment	(31,775)	176,645	144,870
Total Net Position - Beginning, Restated	11,226,405	17,639,533	28,865,938
Total Net Position - Ending	\$ 11,097,432	\$ 18,583,960	\$ 29,681,392

The notes to the basic financial statements are an integral part of this statement.

CITY OF AUBURN
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016

	Business-Type Activities		
	Enterprise Funds		
	Airport	Sewer	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 676,256	\$ 5,633,833	\$ 6,310,089
Other receipts	12,348	-	12,348
Payments to suppliers	(283,951)	(3,331,285)	(3,615,236)
Payments to employees	(135,114)	(395,921)	(531,035)
Net Cash Provided (Used) by Operating Activities	269,539	1,906,627	2,176,166
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Taxes received	34,690	-	34,690
Noncapital grants received	-	231,571	231,571
Transfers from other funds	-	12,629	12,629
Transfers to other funds	-	(41,537)	(41,537)
Net Cash Provided (Used) by Noncapital Financing Activities	34,690	202,663	237,353
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(482,091)	(3,790,335)	(4,272,426)
Principal paid on capital debt	(114,385)	(457,234)	(571,619)
Interest paid on capital debt	(16,727)	(378,286)	(395,013)
Net Cash Provided (Used) for Capital and Related Financing Activities	(613,203)	(4,625,855)	(5,239,058)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	-	213,084	213,084
Net Cash Provided (Used) by Investing Activities	-	213,084	213,084
Net Increase (Decrease) in Cash and Cash Equivalents	(308,974)	(2,303,481)	(2,612,455)
Balances - Beginning	953,416	9,601,317	10,554,733
Balances - Ending	\$ 644,442	\$ 7,297,836	\$ 7,942,278

The notes to the basic financial statements are an integral part of this statement.

CITY OF AUBURN
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016

	Business-Type Activities Enterprise Funds		
	Airport	Sewer	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (153,548)	\$ 1,363,583	\$ 1,210,035
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	394,644	1,039,941	1,434,585
Decrease (Increase) in:			
Accounts receivable	27,732	(247,210)	(219,478)
Prepaid costs	-	(370)	(370)
Pension adjustments - deferred outflows of resources	-	(98,324)	(98,324)
Increase (Decrease) in:			
Accounts payable	561	(85,103)	(84,542)
Accrued salaries and benefits	-	(5,352)	(5,352)
Deposits payable	150	-	150
Compensated absences payable	-	6,372	6,372
Pension adjustments - deferred inflows of resources	-	(98,652)	(98,652)
Net pension liability	-	25,944	25,944
Net OPEB obligation	-	5,798	5,798
Net Cash Provided (Used) by Operating Activities	\$ 269,539	\$ 1,906,627	\$ 2,176,166
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Amortization of discounts	\$ -	\$ 3,693	\$ 3,693

The notes to the basic financial statements are an integral part of this statement.

CITY OF AUBURN
Statement of Net Position
Fiduciary Funds
June 30, 2016

	Other Employee Benefit Trust Fund	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and investments	\$ -	\$ 120,687	\$ 44,341
Receivables:			
Accounts	-	-	8,239
Intergovernmental	-	-	5,050
Capital assets:			
Non-depreciable	-	350,000	-
Total Assets	-	470,687	57,630
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	-	677,284	-
Total Deferred Outflows of Resources	-	677,284	-
LIABILITIES			
Accounts payable	-	209	6,050
Interest payable	-	13,628	-
Due to other funds	-	-	3,492
Agency obligations	-	-	48,088
Long-term debt:			
Due within one year	-	135,238	-
Due in more than one year	-	4,385,005	-
Total Liabilities	-	4,534,080	57,630
NET POSITION			
Net position held in trust	-	(3,386,109)	-
Total Net Position	\$ -	\$ (3,386,109)	\$ -

The notes to the basic financial statements are an integral part of this statement.

CITY OF AUBURN
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2016

	Other Employee Benefit Trust Fund	Private Purpose Trust Funds
ADDITIONS		
Property taxes	\$ -	\$ 460,609
Interest and investment income	-	122,003
Other contributions	-	110,548
Total Additions	<u>-</u>	<u>693,160</u>
DEDUCTIONS		
Distributions to participants	-	105,912
Program expenses of former redevelopment agency	-	339,114
Interest expense	-	217,585
Amortization	-	27,829
Total Deductions	<u>-</u>	<u>690,440</u>
Change in Net Position	<u>-</u>	<u>2,720</u>
Net Position - Beginning	17,434	(3,367,756)
Prior period adjustment	<u>(17,434)</u>	<u>(21,073)</u>
Net Position - Beginning, Restated	<u>-</u>	<u>(3,388,829)</u>
Net Position - Ending	<u><u>\$ -</u></u>	<u><u>\$ (3,386,109)</u></u>

The notes to the basic financial statements are an integral part of this statement.

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Basic Financial Statements

- **Notes to Basic Financial Statements**

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CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City was incorporated in 1888. The City operates under the Council-Manager form of government and provides the following services: public safety (police and fire), highways and streets, health and social services, culture-recreation, public improvements, planning and zoning, and general administration services.

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

Reporting for component units on the City's financial statements can be blended or discretely presented. Blended component units are, although legally separate entities, in substance part of the City's operations and, therefore, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, would be reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

For financial reporting purposes, the City's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the City Council. Separate financial statements for the City of Auburn Public Financing Authority are not issued.

Blended Component Units

City of Auburn Public Financing Authority - The Authority was formed September 8, 2008 by the execution of a Joint Powers Authority Agreement between the City of Auburn and the Auburn Urban Development Authority. The Authority is authorized to assist the City in future financings, including to borrow money for the purpose of financing the acquisition of bonds, notes, and other obligations of, or for the purpose of making loans to, the City, and/or refinance outstanding obligations of the City. The Authority is the lessor for the City's Wastewater Revenue Bonds, Series 2009 and the Auburn Urban Development Authority 2008 Tax Allocation Bonds and makes debt service payments on behalf of the City and the Successor Agency to the Auburn Urban Development Authority. The City Council is the governing body of the Authority and because its financial and operational relationship with the City is closely integrated, the Authority debt is reported as bonds payable in the sewer enterprise fund financial statements and long-term debt in the private purpose trust funds.

Discretely Presented Component Units

There are no component units of the City which meet the criteria for discrete presentation.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Joint Agencies

The City is a participant in Northern California Cities Self-Insurance Fund (NCCSIF), the purpose of which is for members cities to share in the administrative costs of providing liability and workers' compensation insurance. The NCCSIF is governed by a board of directors appointed by the member cities. Complete financial information can be obtained from the Program Administrator, 600 Montgomery Street, 9th Floor, San Francisco, CA 94111. The City is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39, and 61 of the Governmental Accounting Standards Board.

The City is a participant in California Joint Powers Risk Management Authority (CJPRMA), the purpose of which is to provide excess coverage for its members. The CJPRMA is governed by a board of directors representing its member cities. Complete financial information can be obtained from the claims administrator at 3201 Doolan Road, Suite 285, Livermore, California 94551. The City is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39 and 61 of the Governmental Accounting Standards Board.

The City is a participant in California Transit Insurance Pool (CTIP), the purpose of which is to provide liability coverage for its members. The CTIP is composed of nearly 40 member agencies and is governed by a board of directors representing its member agencies. Complete financial information can be obtained from the Program Administrator, CalTIP, 1415 L Street, Suite 200, Sacramento, CA 95814. The City is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39 and 61 of the Governmental Accounting Standards Board.

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information on all of the nonfiduciary activities of the City, and its blended component units. These statements include the financial activities of the overall government, except fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the City. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the City's business-type activities and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements

The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis is placed on major funds within the governmental and proprietary categories; each is displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

- The General fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General fund includes such activities as general government, public safety, public ways and facilities, community development, health and sanitation, and culture-recreation services.
- The Transportation fund is used to account for monies received through the Transportation Development Act (TDA) Tax and Surface Transportation Program (STP) funding.

The City reports the following major proprietary funds:

- The Airport fund is an enterprise fund established to account for the operation and maintenance of the City's general aviation airport serving recreation, commuter, limited air cargo, and public safety needs.
- The Sewer fund is an enterprise fund established to account for the building, operating, and maintaining of the City's sewer treatment plant and collection system.

The City reports the following additional fund types:

- The Other Employee Benefit Trust fund accounts for the APOA Medical Savings Plan. In compliance with GASB 43, the City established this trust to account for resources held in trust for the members of an employee benefit plan.
- The Private Purpose Trust funds account for property held under other trust arrangement under which principal and income benefit individuals, private organizations, or other governments. Private purpose trust funds include the Merchant's Council, Historic Auburn, Signature Theatre Sewer District, Auburn Arts Commission, the Southwest Specific Plan, and the Successor Agency to the Auburn Urban Development Authority.
- The Agency funds account for resources held by the City as a trustee or an agent for individuals, private organizations, and other governmental entities. These resources include payroll deduction and collection clearing funds and various fees collected on behalf of other agencies.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting and Measurement Focus

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales tax, grants, entitlements, and donations. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants, and charges for services are considered susceptible to accrual and are accrued when their receipt occurs within sixty days after the end of the fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the various functions of the governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary funds include trust funds and agency funds. All trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds are reported using the accrual basis of accounting to recognize receivables and payables.

D. Non-Current Governmental Assets/Liabilities

Non-current governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide statement of net position.

E. Cash and Investments

For purposes of the accompanying Statement of Cash Flows, the City considers all highly liquid investments with a maturity of three months or less when purchased including cash with fiscal agent, and their equity in the City's investment pool, to be cash equivalents.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Investments

The City pools cash and investments of all funds except cash with fiscal agent. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments.

Investment transactions are recorded on the trade date. The fair value of investments is determined annually. Investments in nonparticipating interest-earning investment contracts are reported at cost; short term investments are reported at amortized cost, investments in Local Agency Investment Fund, an external pool, are reported at amortized cost which approximates fair value, and the fair value of all other investments are obtained by using quotations obtained from independent published sources or by the safekeeping institution. The fair value represents the amount the City could reasonably expect to receive for an investment in a current sale between a willing buyer and seller.

Income from pooled investments is allocated to the individual funds based on the fund or participant's average daily cash balance at quarter end in relation to the total pool investments. Income from non-pooled investments is recorded based on the specific investments held by the fund.

G. Restricted Cash and Investments

Restricted assets in the governmental funds represents cash and investments held in the General fund for security deposits of \$117,619 and in the Solid Waste Management fund for future postclosure costs of \$437,836. Restricted assets in the proprietary funds represent cash and investments held in the Airport fund for tenant deposits of \$15,025 and in the Sewer fund for debt service of \$1,178,846.

H. Receivables

Receivables for governmental activities consist mainly of accounts, interest, taxes, and intergovernmental. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required

Receivables for business-type activities consist mainly of user fees and intergovernmental revenues. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

I. Other Assets

Inventory

Governmental fund inventories are recorded as expenditures at the time inventory is purchased rather than when consumed. Records are not maintained of inventory and supplies on hand, although these amounts are not considered material.

Prepaid Items

Payments made for services that will benefit periods beyond June 30, 2016, are recorded as prepaid costs under both the accrual and modified accrual basis of accounting. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Loans Receivable

For the purpose of the governmental fund financial statements, special revenue fund expenditures relating to long-term loans receivable arising from mortgage subsidy programs are charged to operations upon funding and the loans receivable are recorded. The balance of the long-term receivable includes loans that may be forgiven if certain terms and conditions of the loans are met. The City reported \$473,275 in loans receivable as of June 30, 2016.

K. Capital Assets

Capital assets, including public domain (infrastructure assets such as roads, bridges, water/sewer, lighting system, drainage systems, and flood control) are defined by the City as assets with a cost greater than \$5,000 and a useful life of more than one year. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are recorded at their acquisition value at the date of donation.

Capital assets used in operations are depreciated or amortized using the straight-line method over the assets estimated useful life in the government-wide financial statements. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Infrastructure	40 years
Buildings and improvements	40 years
Equipment	5-10 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

L. Property Tax

Placer County assesses properties, bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties.

Property taxes are levied on a fiscal year (July 1 - June 30). The secured property tax assessments are due on November 1 and February 1 and become delinquent after December 10 and April 10, respectively. The unsecured property tax assessments are due on August 1 and become delinquent after August 31. Property taxes become a lien on the property effective January 1 of the preceding year.

The City recognizes property taxes when the individual installments are due provided they are collected within 60 days after year-end.

M. Interfund Transactions

Interfund transactions are reflected as either loans, services provided or used, reimbursements or transfers.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Interfund Transactions (Continued)

Loans reported as receivables and payables are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.” Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not in spendable form.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each government function and therefore are not eliminated in the process of preparing the government-wide statement of activities.

Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are reflected as expenditures or expenses in the reimbursing fund and reductions to expenditures or expenses in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation to the government-wide presentation.

N. Unearned Revenue

Under the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. When assets are recognized in connection with a transaction before the earnings process is complete, those assets are offset by a corresponding liability for unearned revenue.

O. Compensated Absences

Employees accrue vacation, sick, and compensatory time off benefits. An employee may accumulate vacation time equal to the amount that can be earned in a two-year period. Vacation pay is paid upon separation of service or retirement. Sick leave benefits may be applied to earlier retirement. Upon termination, sick leave benefits in excess of a specified maximum are paid.

All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. In governmental funds, the cost of vacation and sick leave benefits is recognized when payments are made to employees.

P. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City’s California Public Employees’ Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category. This item relates to the outflows from changes in the net pension liability and is reportable on the statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of items which qualify for reporting in this category. One item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for receivables that have not been received within the modified accrual period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other item relates to the inflows from changes in the net pension liability and is reportable on the statements of net position.

R. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

S. Implementation of Governmental Accounting Standards Board Statements (GASB)

The following Governmental Accounting Standards Board (GASB) Statements have been implemented, if applicable, in the current financial statements.

Statement No. 72, Fair Value Measurement and Application. This statement addresses accounting and financial reporting issues related to fair value measurements. This statement provides guidance for determining a fair value measurement and for applying fair value to certain investments and disclosures related to all fair value measurements.

Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. This statement establishes requirements for defined benefit pensions and defined contribution pensions that are not within the scope of Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions.

Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the uses of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction is not specified within a source of authoritative GAAP.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Implementation of Governmental Accounting Standards Board Statements (GASB) (Continued)

Statement No. 79, Certain External Investment Pools and Pool Participants. This statement establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Restatement of Net Position/Fund Balance

Adjustments resulting from errors or a change to comply with provisions of the accounting standards are treated as adjustments to prior periods. Accordingly, the City reports these changes as a restatement of beginning net position/fund balance. During the current year, adjustments were required to correct a prior year misstatement of capital assets, capital leases, due from other governments, and expenditures/expenses.

The impact of the restatements on the net position on the government-wide financial statements as previously reported is presented below:

	Governmental Activities	Business-Type Activities
Net Position, June 30, 2015 as previously reported	\$ 10,467,417	\$ 28,721,068
Adjustment associated with:		
Correction of capital assets	60,037	-
Correction of capital leases	(57,443)	-
Correction of due from other governments	(201,638)	-
Correction of expenses	-	144,870
Total Adjustments	(199,044)	144,870
Net Position, July 1, 2015, as restated	<u>\$ 10,268,373</u>	<u>\$ 2,865,938</u>

The impact of the restatements on the fund balance on the fund financial statements as previously reported is presented below:

	General	Other Governmental Funds
Fund Balance, June 30, 2015, as previously reported	\$ 4,635,345	\$ 3,171,878
Adjustment associated with:		
Correction of due from other governments	(201,638)	-
Correction of expenditures	-	(49,942)
Total Adjustments	(201,638)	(49,942)
Fund Balance, July 1, 2015, as restated	<u>\$ 4,433,707</u>	<u>\$ 3,121,936</u>

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Restatement of Net Position/Fund Balance (Continued)

The impact of the restatements on the net position on the fund financial statements as previously reported is presented below:

	<u>Airport</u>	<u>Sewer</u>	<u>Other Employee Benefit Trust Fund</u>	<u>Private Purpose Trust Funds</u>
Net Position, June 30, 2015, as previously reported	\$ 11,258,180	\$ 17,462,888	\$ 17,434	(\$ 3,367,756)
Adjustment associated with:				
Correction of prior year balances	(31,775)	176,645	(17,434)	(21,073)
Total Adjustments	(31,775)	176,645	(17,434)	(21,073)
Net Position, July 1, 2015, as restated	<u>\$ 11,226,405</u>	<u>\$ 17,639,533</u>	<u>\$ -</u>	<u>(\$ 3,388,829)</u>

B. Deficit Fund Balance

The following major governmental fund had a deficit fund balance:

- The Transportation fund had a fund balance deficit of \$365,009 which is expected to be eliminated in future years through intergovernmental revenues.

The following non-major special revenue funds had a deficit fund balance:

- The State Gas Tax fund had a fund balance deficit of \$18,963, which is expected to be eliminated in the future through intergovernmental revenues.
- The Transit fund had a fund balance deficit of \$107,408, which is expected to be eliminated in the future through intergovernmental revenues.
- The Office of Traffic Safety Grant fund had a fund balance deficit of \$7,042, which is expected to be eliminated in the future through intergovernmental revenues.

The following non-major capital projects funds had deficit fund balances:

- The Auburn School Park Preserve fund had a fund balance deficit of \$230,331, which is expected to be eliminated in the future through intergovernmental revenues.
- The Hwy 49 Beautification fund had a fund balance deficit of \$1,318, which is expected to be eliminated in the future through intergovernmental revenues.

C. Rebtable Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. The City does not expect to incur a liability for rebatable arbitrage at June 30, 2016.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 3: CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2016, the City's cash and investments are reported in the financial statements as follows:

Governmental activities	\$ 5,684,658
Business type activities	7,942,278
Private purpose trust funds	120,687
Agency funds	<u>44,341</u>
Total Cash and Investments	<u><u>\$ 13,791,964</u></u>

As of June 30, 2016, the City's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 250
Deposits (less outstanding checks)	8,471,765
Deposits with fiscal agents	<u>1,178,935</u>
Total Cash	<u>9,650,950</u>
Investments:	
In City's pool	<u>4,141,014</u>
Total Investments	<u>4,141,014</u>
Total Cash and Investments	<u><u>\$ 13,791,964</u></u>

B. Cash

At year end, the carrying amount of the City's cash deposits (including amount in checking accounts, money market accounts, and deposits with fiscal agents) was \$9,650,700 and the bank balance was \$9,676,987. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. In addition the City had cash on hand of \$250.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The City's investment policy requires that deposits in banks must meet the requirements of California Government Code. Under this code, deposits of more than \$250,000 must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of the public funds. The first \$250,000 of the City's deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Deposits more than the \$250,000 insured amount are collateralized.

C. Investments

Pursuant to Section 53646 of the Government Code, the City prepares an investment policy annually and presents it to the City Council for review and approval.

The investment policy provides the basis for the management of a prudent, conservative investment program. Funds are invested to provide the maximum security of principal with secondary emphasis on achieving the highest return, while meeting daily cash flow needs. All investments are made in accordance with the Government Code and, in general, the investment policy is more restrictive than state law.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Under the provisions of the City's investment policy the City may invest or deposit in the following:

- U.S. Treasury Obligations
- U.S. Agency Securities
- City or City Agency Bonds
- California State Bonds
- Local Agency Bonds (CA only)
- Banker's Acceptances
- Commercial Paper
- Negotiable Certificates of Deposit
- Time deposits, under \$250,000
- Time deposits, over \$250,000
- Repurchase Agreements
- Reverse Repurchase Agreements
- Medium Term Notes
- Mutual Funds/Money Market Mutual Funds
- Placer County Investment Pool
- Local Agency Investment Fund (LAIF)

Fair Value Measurements - The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

The City's position in external investment pools is in its self regarded as a type of investment and looking through to the underlying investments of the pool is not appropriate. Therefore, the City's investment in external investment pools are not recognized in the three-tiered fair value hierarchy described above.

At June 30, 2016, the City had the following recurring fair value measurements.

Investment Type	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level				
Government Agencies	\$ 1,500,290	\$ 1,500,290	\$ -	\$ -
Corporate Notes	9,688	9,688	-	-
Certificates of Deposit	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>250,000</u>
Total Investments Measured at Fair Value	<u>1,759,978</u>	<u>\$ 1,509,978</u>	<u>\$ -</u>	<u>\$ 250,000</u>
Investments in External Investment Pools				
Placer County Investment Pool	2,338,283			
Local Agency Investment Fund (LAIF)	<u>42,753</u>			
Total Investments	<u>\$ 4,141,014</u>			

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit exposure to fair value losses resulting from increases in interest rates, the City's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the City to meet all projected obligations. Any investments that mature more than five years from the date of purchase cannot occur without prior approval of the City Council.

As of June 30, 2016, the City had the following investments, all of which had a maturity of 5 years or less:

Investment Type	Interest Rates	Maturities		Fair Value	Weighted Average Maturity (Years)
		0-1 year	1-5 years		
Government Agency Securities	.90-1.10%	\$ -	\$ 1,500,290	\$ 1,500,290	1.45
Corporate Bonds	6.625%	9,688	-	9,688	(4.45) (1)
Certificates of Deposit	.30%	250,000	-	250,000	.30
Placer County Investment Pool	Variable	2,338,283	-	2,338,283	-
Local Agency Investment Fund (LAIF)	Variable	42,753	-	42,753	-
Total Investments		<u>\$ 2,640,724</u>	<u>\$ 1,500,290</u>	<u>\$ 4,141,014</u>	<u>0.53</u>

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy sets specific parameters by type of investment to be met at the time of purchase. Presented below is the minimum rating required by (where applicable) the California Government Code or the City's investment policy, and the actual rating as of year end for each investment type.

Investment Type	Minimum Legal Rating	Standard & Poor's Rating	Moody's Rating	% of Portfolio
Federal Home Loan Bank	N/A	AA+	Aaa	12.07%
Federal National Mortgage Association	N/A	AA+	Aaa	24.16%
Corporate bonds	A	WR (1)	WR(1)	.23%
Certificates of deposit	N/A	Unrated	Unrated	6.04%
Placer County Investment Pool	N/A	Unrated	Unrated	56.47%
LAIF	N/A	Unrated	Unrated	1.03%
Total				<u>100.00%</u>

- (1) Investment in Lehman Brothers corporate bonds. Corporation filed for bankruptcy in 2008 and rating was withdrawn. Bonds matured January 18, 2012 and are held in escrow.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Custodial Credit Risk for Investments - Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or collateral securities that are in the possession of an outside party. To mitigate the custodial credit risk the City's investment policy requires that all of its managed investments shall be held in the name of the City in safekeeping by a third party bank trust department. Custodial credit risk does not apply to a local government's indirect investments in securities through use of mutual funds or government investment pools.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The City's investment policy contains limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and eternal investment pools) at June 30, 2016, that represent 5 percent or more of total City investments are as follows:

<u>Investment Type</u>	<u>Amount Invested</u>	<u>Percentage of Investments</u>
Federal Home Loan Bank	\$ 500,010	12.07%
Federal National Mortgage Association	1,000,280	24.16%
Community First Bank CD	250,000	6.04%

D. Investment in External Investment Pools

Placer County Pooled Investment Fund - The Placer County Pooled Investment Fund is a pooled investment fund program governed by the County which monitors and reviews the management of public funds maintained in the investment pool in accordance with the County investment policy and the California Government Code. The Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the Board of Supervisors every month. The report covers the type of investments in the pool, maturity dates, par value, actual cost and fair value. Investments in the Placer County Pooled Investment Fund are regarded as highly liquid as deposits and withdrawals can be made at any time without penalty. The Pool does not impose a maximum investment limit. Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County's financial statements. The County of Placer's financial statements may be obtained by contacting the County of Placer Auditor-Controller's office at 2970 Richardson Drive, Auburn, CA 95603.

The City of Auburn maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. At June 30, 2016, the City's investment in LAIF valued at amortized cost was \$42,753 and is the same as the value of the pool shares. There are no restrictions on withdrawal of funds. The total amount invested by all public agencies in LAIF on that day was \$75.4 billion. Of that amount, 97.19 percent is invested in non-derivative financial products and 2.81 percent in structured notes and asset-backed securities.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2016, was as follows:

Governmental Activities

	Balance July 1, 2015	Additions	Adjustments/ Retirements	Balance June 30, 2016
Capital assets, not being depreciated:				
Land	\$ 350,000	\$ -	\$ -	\$ 350,000
Construction in progress	<u>594,432</u>	<u>344,762</u>	<u>(175,787)</u>	<u>763,407</u>
Total Capital Assets, Not Being Depreciated	<u>944,432</u>	<u>344,762</u>	<u>(175,787)</u>	<u>1,113,407</u>
Capital assets, being depreciated:				
Infrastructure	6,314,227	39,105	166,682	6,520,014
Buildings and improvements	5,261,972	30,858	-	5,292,830
Equipment	7,263,172	615,556	85,555	7,964,283
Land improvements	<u>15,001,342</u>	<u>-</u>	<u>9,105</u>	<u>15,010,447</u>
Total Capital Assets, Being Depreciated	<u>33,840,713</u>	<u>685,519</u>	<u>261,342</u>	<u>34,787,574</u>
Less accumulated depreciation for:				
Infrastructure	(2,369,514)	(312,925)	-	(2,682,439)
Buildings and improvements	(2,574,253)	(113,252)	-	(2,687,505)
Equipment	(5,591,120)	(344,132)	(25,518)	(5,960,770)
Land improvements	<u>(2,902,725)</u>	<u>(804,615)</u>	<u>-</u>	<u>(3,707,340)</u>
Total Accumulated Depreciation	<u>(13,437,612)</u>	<u>(1,574,924)</u>	<u>(25,518)</u>	<u>(15,038,054)</u>
Total Capital Assets, Being Depreciated, Net	<u>20,403,101</u>	<u>(889,405)</u>	<u>235,824</u>	<u>19,749,520</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 21,347,533</u></u>	<u><u>(\$ 544,643)</u></u>	<u><u>\$ 60,037</u></u>	<u><u>\$ 20,862,927</u></u>

Business-Type Activities

	Balance July 1, 2015	Additions	Transfers/ Retirements	Balance June 30, 2016
Capital assets, not being depreciated:				
Land	\$ 2,874,395	\$ -	\$ -	\$ 2,874,395
Construction in progress	<u>11,593,758</u>	<u>3,675,692</u>	<u>(7,111,209)</u>	<u>8,158,241</u>
Total Capital Assets, Not Being Depreciated	<u>14,468,153</u>	<u>3,675,692</u>	<u>(7,111,209)</u>	<u>11,032,636</u>
Capital assets, being depreciated:				
Infrastructure	23,322,449	85,074	7,072,485	30,480,008
Equipment	<u>2,139,439</u>	<u>511,659</u>	<u>38,724</u>	<u>2,689,822</u>
Total Capital Assets, Being Depreciated	<u>25,461,888</u>	<u>596,733</u>	<u>7,111,209</u>	<u>33,169,830</u>
Less accumulated depreciation for:				
Infrastructure	(10,648,018)	(1,336,733)	-	(11,984,751)
Equipment	<u>(1,729,283)</u>	<u>(97,852)</u>	<u>-</u>	<u>(1,827,135)</u>
Total Accumulated Depreciation	<u>(12,377,301)</u>	<u>(1,434,585)</u>	<u>-</u>	<u>(13,811,886)</u>
Total Capital Assets, Being Depreciated, Net	<u>13,084,587</u>	<u>(837,852)</u>	<u>7,111,209</u>	<u>19,357,944</u>
Business-Type Activities Capital Assets, Net	<u><u>\$ 27,552,740</u></u>	<u><u>\$ 2,837,840</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 30,390,580</u></u>

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 4: CAPITAL ASSETS (CONTINUED)

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 96,057
Public safety	210,741
Transportation	603,478
Community development	<u>664,648</u>
Total Depreciation Expense – Governmental Functions	<u><u>\$ 1,574,924</u></u>

Depreciation expense was charged to the business-type functions as follows:

Airport	\$ 394,644
Sewer	<u>1,039,941</u>
Total Depreciation Expense – Business-Type Functions	<u><u>\$ 1,434,585</u></u>

Construction in Progress

Construction in progress for governmental activities relates primarily to work performed on Nevada St. Bicycle project, APD CAD upgrade, Downtown Restroom project, and minor miscellaneous projects.

Construction in progress for business-type activities relates primarily to work performed on the airport hangar project.

NOTE 5: INTERFUND TRANSACTIONS

Due To/From Other Funds

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The following are due to and due from balances as of June 30, 2016:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 962,673	\$ 10,000
Transportation	-	507,633
Nonmajor Governmental Funds	10,000	451,548
Agency Funds	<u>-</u>	<u>3,492</u>
Total	<u><u>\$ 972,673</u></u>	<u><u>\$ 972,673</u></u>

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 5: INTERFUND TRANSACTIONS (CONTINUED)

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various City operations, and re-allocations of special revenues. The following are the interfund transfers for fiscal year ended June 30, 2016:

	Transfer In	Transfer Out
General Fund	\$ 196,294	\$ 12,629
Transportation	431,388	-
Nonmajor Governmental Funds	-	586,145
Sewer	<u>12,629</u>	<u>41,537</u>
Total	<u>\$ 640,311</u>	<u>\$ 640,311</u>

NOTE 6: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2016:

Type of Indebtedness	Balance July 1, 2015	Additions/ Adjustments	Retirements/ Adjustments	Balance June 30, 2016	Amounts Due Within One Year
Governmental Activities					
Pension obligation bonds	\$ 3,930,000	\$ -	(\$ 230,000)	\$ 3,700,000	\$ 255,000
Capital leases	293,866	157,319	(133,856)	317,329	132,474
Compensated absences	<u>1,440,684</u>	<u>555,267</u>	<u>(485,322)</u>	<u>1,510,629</u>	<u>509,261</u>
Total Governmental Activities	<u>\$ 5,664,550</u>	<u>\$ 712,586</u>	<u>(\$ 849,178)</u>	<u>\$ 5,527,958</u>	<u>\$ 896,735</u>
Business-Type Activities					
Loans	\$ 1,753,646	\$ -	(\$ 399,861)	\$ 1,353,785	\$ 377,790
Less: Discount	(246,018)	-	47,040	(198,978)	(47,039)
Loans, Net	<u>1,507,628</u>	-	<u>(352,821)</u>	<u>1,154,807</u>	<u>330,751</u>
Sewer revenue bonds	7,490,000	-	(175,000)	7,315,000	180,000
Less: Discount	(88,623)	-	3,693	(84,930)	(3,693)
Sewer revenue bonds, net	7,401,377	-	(171,307)	7,230,070	176,307
Compensated Absences	<u>86,265</u>	<u>14,940</u>	<u>(8,568)</u>	<u>92,637</u>	<u>12,604</u>
Total Business-Type Activities	<u>\$ 8,995,270</u>	<u>\$ 14,940</u>	<u>(\$ 532,696)</u>	<u>\$ 8,477,514</u>	<u>\$ 519,662</u>

For governmental activities, the capital lease liability is liquidated by lease payments made by the departments leasing the equipment. Compensated absences are generally liquidated by the fund where the accrued liability occurred which is primarily the General fund.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

For business-type activities, all debt is accounted for in the proprietary fund where the liability occurred.

Individual issues of debt payable outstanding at June 30, 2016, are as follows:

Governmental Activities

Pension Obligation Bonds:

Taxable Pension Obligation Bonds 2006 Series A-1, issued June 15, 2006, in the amount of \$4,965,000 and payable in annual installments of \$65,000 to \$340,000, with an interest rate of 5.69% to 5.93% and maturity on June 1, 2028. The bonds were used to pay the unfunded accrued actuarial liability to the California Public Employees' Retirement System.

\$ 3,700,000

Total Pension Obligation Bonds

3,700,000

Total Governmental Activities

\$ 3,700,000

Business-Type Activities

Loans:

State Department of Transportation loan, issued August 2002 in the amount of \$1,000,000 and payable in annual installments of \$55,556 to \$95,556, with an interest rate of 4.68% and maturity on January 24, 2018. Loan proceeds were used to finance the East Hangar project at the airport.

\$ 160,000

State Department of Water Resources loan, issued February 23, 1998 in the amount of \$2,173,820 and payable in annual installments of \$108,691, with an interest rate of 0.0% and maturity on January 13, 2019. Loan proceeds were used to finance construction of the wastewater treatment plant improvement project phase 1A.

326,072

State Department of Water Resources loan, issued April 21, 1999 in the amount of \$2,892,368 and payable in annual installments of \$173,543, with an interest rate of 0.0% and maturity on March 1, 2021. Loan proceeds were used to finance construction of the wastewater treatment plant improvement project phase 1B.

867,713

Total Loans

1,353,785

Sewer Revenue Bonds:

Wastewater Revenue Bonds Series 2009, issued August 5, 2009 in the amount of \$8,525,000 and payable in annual installments of \$155,000 to \$530,000, with an interest rate of 2.00% to 5.50% and maturity on June 1, 2039. The bonds were used to finance the acquisition and construction of wastewater treatment plant improvements.

7,315,000

Total Sewer Revenue Bonds

7,315,000

Total Business-Type Activities

\$ 8,668,785

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

Following is a schedule of debt payment requirements of governmental activities and business-type activities to maturity for long-term debt, excluding compensated absences that have indefinite maturities and capital leases which are reported in Note 8.

Governmental Activities

Year Ended June 30	Pension Obligation Bonds		
	Principal	Interest	Total
2017	\$ 255,000	\$ 218,924	\$ 473,924
2018	285,000	203,879	488,879
2019	320,000	187,064	507,064
2020	360,000	168,184	528,184
2021	400,000	146,944	546,944
2022-2026	1,420,000	432,594	1,852,594
2027-2028	660,000	59,597	719,597
Total	<u>\$ 3,700,000</u>	<u>\$ 1,417,186</u>	<u>\$ 5,117,186</u>

Business-Type Activities

Year Ended June 30	Loans		
	Principal	Interest	Total
2017	\$ 377,790	\$ 7,494	\$ 385,284
2018	346,678	3,018	349,696
2019	282,233	-	282,233
2020	173,543	-	173,543
2021	173,541	-	173,541
Total	<u>\$ 1,353,785</u>	<u>\$ 10,512</u>	<u>\$ 1,364,297</u>

Year Ended June 30	Sewer Revenue Bonds		
	Principal	Interest	Total
2017	\$ 180,000	\$ 374,325	\$ 554,325
2018	190,000	367,125	557,125
2019	195,000	359,525	554,525
2020	205,000	351,725	556,725
2021	215,000	341,475	556,475
2022-2026	1,230,000	1,553,169	2,783,169
2027-2031	1,565,000	1,218,825	2,783,825
2032-2036	2,030,000	757,438	2,787,438
2037-2039	1,505,000	168,575	1,673,575
Total	<u>\$ 7,315,000</u>	<u>\$ 5,492,182</u>	<u>\$ 12,807,182</u>

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 7: LEASES

Capital Leases

The City has entered into certain capital lease agreements under which the related equipment will become the property of the City when all terms of the lease agreements are met.

	<u>Stated Interest Rate</u>	<u>Present Value of Remaining Payments at June 30, 2016</u>
Governmental activities	1.74-11.69%	\$ 317,329
Total		<u>\$ 317,329</u>

Equipment and related accumulated depreciation acquired under capital leases is as follows:

	<u>Governmental Activities</u>
Cost of equipment	\$ 688,949
Less: accumulated depreciation	(221,290)
Net Value	<u>\$ 467,659</u>

As of June 30, 2016, capital lease annual amortization was as follows:

<u>Year Ended June 30</u>	<u>Governmental Activities</u>
2017	\$ 142,424
2018	138,234
2019	27,498
2020	22,647
2021	<u>5,662</u>
Total Requirements	336,465
Less Interest	(19,136)
Present Value of Remaining Payments	<u>\$ 317,329</u>

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 8: RENTAL INCOME FROM LEASES

The City leases property under noncancelleable tenant operating leases. The following is a schedule of future minimum lease payments:

Year Ended June 30	Governmental Activities	Business-Type Activities
2017	\$ 178,003	\$ 634,042
2018	178,003	630,718
2019	178,003	604,965
2020	178,003	604,965
2021	178,003	604,965
2022-2026	890,010	3,024,107
2027-2031	836,450	2,931,093
2032-2036	823,060	2,303,402
2037-2041	736,048	1,667,705
2042-2046	354,951	1,420,929
2047-2051	63,427	912,867
2052-2056	44,355	211,196
2057-2061	<u>53,226</u>	<u>32,668</u>
Total Rental Income From Leases	<u>\$ 4,691,542</u>	<u>\$ 15,583,622</u>

NOTE 9: POSTCLOSURE

The City of Auburn has postclosure responsibility for one landfill site (located on the Auburn Municipal Airport). State and federal laws and regulations require that the City of Auburn place a final cover over its closed landfill and perform certain maintenance and monitoring functions at the landfill site for thirty years following its closure. Closure procedures have been performed and postclosure activity is recorded in a special revenue fund. Post-closure maintenance activities are funded by a 4.71 percent surcharge on refuse collection fees. The landfill was closed in 1984 and the City has amortized the postclosure liability over thirty years. The liability balance at June 30, 2016 was \$0.

The City of Auburn is required by state and federal laws and regulations to make annual contributions to finance postclosure care costs. The costs of these procedures was funded on a pay as you go basis. The City did not adopt a pledge of revenue to fund these costs. At June 30, 2016, the City was still holding bank deposits and federal securities in the amount of \$437,836 for this purpose.

Additionally, the City recognizes that there is a risk of future landfill gas migration or groundwater contamination, which could result in bodily injury and/or property damage liability claims against the City. Accordingly, the City has secured a "third party pollution liability" insurance agreement (underwritten by Illinois Union Insurance Company) to pay for any damages arising out of claims which might result from future pollution conditions that might result from the landfill site. This insurance coverage applies to groundwater contamination from leakages, but excludes remediation of landfill gas that might migrate from the closed landfill site. The aggregate coverage limit is \$1,500,000 and there is a policy deductible of \$100,000 for each pollution condition.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 10: NET POSITION

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net investment in capital assets** - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position** - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - all other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

Net Position Restricted by Enabling Legislation

The government-wide statement of net position reports \$3,318,935 of restricted net position, of which \$943,548 is restricted by enabling legislation.

Net Position Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position are available, it is considered that restricted resources are used first, followed by the unrestricted resources.

NOTE 11: FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2016, fund balance for governmental funds is made up of the following:

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- **Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted with consent of resource providers.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 11: FUND BALANCES (CONTINUED)

- **Committed fund balance** - amounts that can only be used for the specific purposes determined by formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision making authority for the City that can, by adoption of an ordinance commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** - amounts that are constrained by the City's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- **Unassigned fund balance** - the residual classification for the City's General fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The fund balances for all major and nonmajor governmental funds as of June 30, 2016, were distributed as follows:

	General	Transportation	Other Governmental Funds	Total
Nonspendable:				
Prepaid costs	\$ 103,084	\$ -	\$ 5,066	\$ 108,150
Subtotal	<u>103,084</u>	<u>-</u>	<u>5,066</u>	<u>108,150</u>
Restricted For:				
Property seizures	-	-	52,125	52,125
Street maintenance and construction	-	-	139,655	139,655
Maidu Fire Station	-	-	37,875	37,875
Solid Waste Management	-	-	509,974	509,974
Fire protection services	-	-	191,255	191,255
Community development	-	-	880,174	880,174
Capital projects	<u>-</u>	<u>-</u>	<u>943,548</u>	<u>943,548</u>
Subtotal	<u>-</u>	<u>-</u>	<u>2,754,606</u>	<u>2,754,606</u>
Committed to:				
Economic Uncertainty	<u>2,700,000</u>	<u>-</u>	<u>-</u>	<u>2,700,000</u>
Subtotal	<u>2,700,000</u>	<u>-</u>	<u>-</u>	<u>2,700,000</u>
Unassigned	<u>3,123,198</u>	<u>(365,009)</u>	<u>(370,128)</u>	<u>2,388,061</u>
Total	<u>\$ 5,926,282</u>	<u>(\$ 365,009)</u>	<u>\$ 2,389,544</u>	<u>\$ 7,950,817</u>

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 11: FUND BALANCES (CONTINUED)

Fund Balance Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance), a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted fund balance are available, it is considered that restricted fund balance is depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policy

The City Council has adopted a formal fund balance policy which established procedures for reporting fund balance classifications and established a hierarchy for fund balance expenditures. The City has also adopted by resolution a policy to maintain a General fund commitment for contingencies in the amount of \$2,700,000. This commitment can only be expended upon approval by the City Council and is intended to meet unforeseen contingencies such as emergencies, revenue shortfall, mandates or unanticipated inflation. It is not intended for routine capital projects or general operations. Upon expenditures from this fund balance, the City Council may approve additions to replenish the balance.

NOTE 12: PENSION PLANS

A. General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the City's separate Safety police, Safety fire, and Miscellaneous (all other) Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Effective January 1, 2013, the City added retirement tiers for both Miscellaneous and Safety Plans for new employees as required under the Public Employee Pension Reform Act (PEPRA). New employees hired on or after January 1, 2013 will be subject to new, lower pension formulas, caps on pensionable income levels and new definitions of pensionable income. In addition, new employees will be required to contribute half of the total normal cost of the pension benefit unless impaired by an existing Memorandum of Understanding. The cumulative effect of these PEPRA changes will ultimately reduce the City's retirement costs.

Summary of Plans and Eligible Participants

Open for New Enrollment

Miscellaneous PEPRA
Safety Fire PEPRA
Safety Police PEPRA

Miscellaneous members hired on or after January 1, 2013
Active fire employees hired on or after January 1, 2013
Active police employees hired on or after January 1, 2013

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 12: PENSION PLANS (CONTINUED)

A. General Information about the Pension Plans (Continued)

Summary of Plans and Eligible Participants (Continued)

Closed to New Enrollment	
Miscellaneous	Miscellaneous members hired before January 1, 2013
Safety Fire First Tier	Fire employees hired before July 1, 2010
Safety Fire Second Tier	Fire employees hired after July 1, 2010 and before January 1, 2013
Safety Police First Tier	Police employees hired after January 1, 2012 and before July 1, 2010
Safety Police Second Tier	Police employees hired after July 1, 2010 and before January 1, 2013

Benefits Provided

CalPers provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Retirement benefits are paid monthly for life. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

Each Plan's specific provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Benefit Formula	Retirement Age	Monthly Benefits as a % of Eligible Compensation
Miscellaneous	2.0% @ 55	50-55	1.462% to 2.418%
Miscellaneous PEPRA	2.0% @ 62	50-62	1.000% to 2.500%
Safety Fire First Tier	3.0% @ 50	50	3.000%
Safety Fire Second Tier	2.0% @ 50	50	2.000% to 2.700%
Safety Fire PEPRA	2.0% @ 57	50-57	2.000% to 2.700%
Safety Police First Tier	3.0% @ 50	50	3.000%
Safety Police Second Tier	2.0% @ 50	50	2.000% to 2.700%
Safety Police PEPRA	2.7% @ 57	50-57	2.000% to 2.700%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Funding contributions for all Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 12: PENSION PLANS (CONTINUED)

A. General Information about the Pension Plans (Continued)

Contributions (Continued)

	Employer Contribution Rates	Employee Contribution Rates	Employer Paid Member Contribution Rates
Miscellaneous	8.512%	8.000%	0.000%
Miscellaneous PEPRA	6.237%	6.250%	0.000%
Safety Fire First Tier	22.175%	9.000%	0.000%
Safety Fire Second Tier	18.672%	9.000%	0.000%
Safety Fire PEPRA	13.268%	13.500%	0.000%
Safety Police First Tier	18.524%	9.000%	0.000%
Safety Police Second Tier	14.644%	9.000%	0.000%
Safety Police PEPRA	11.500%	11.500%	0.000%

For the year ended June 30, 2016, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Contributions-Employer</u>	<u>Contributions-Employee (Paid by Employer)</u>
Miscellaneous	\$ 234,906	\$ -
Safety	742,776	-

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2016, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 4,394,784
Safety	<u>7,171,553</u>
Total Net Pension Liability	<u>\$ 11,566,337</u>

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2015, and the total pension liability for each Plan is used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability for each Plan as of June 30, 2014 and 2015 was as follows:

	<u>Proportion June 30, 2014</u>	<u>Proportion June 30, 2015</u>	<u>Change- Increase (Decrease)</u>
Miscellaneous	0.06743%	0.06403%	(0.00340)%
Safety	0.09914%	0.10448%	0.00534%

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 12: PENSION PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2016, the City recognized pension expense of \$1,231,597. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,166,293	\$ -
Changes of assumptions	-	(584,259)
Difference between expected and actual experience	-	(81,518)
Differences between projected and actual earnings on pension plan investments	-	(295,332)
Difference between City contributions and proportionate share contributions	-	(539,330)
Adjustment due to differences in proportions	512,979	-
Total	<u>\$ 1,679,272</u>	<u>(\$ 1,500,439)</u>

\$1,166,293 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2017	(\$ 532,528)
2018	(522,142)
2019	(437,832)
2020	505,042
Thereafter	-
Total	<u>(\$ 987,460)</u>

Actuarial Assumptions

The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Projected Salary Increase	Varies by entry age and service
Mortality	Derived using CalPERS membership date for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance floor on Purchasing Power applies, 2.78% thereafter

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 12: PENSION PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions (Continued)

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period 1997 to 2011, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website.

Change of Assumptions

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at the CalPERS website under the GASB 68 Section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 12: PENSION PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Discount Rate (Continued)

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10(a)</u>	<u>Real Return Years 11+(b)</u>
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	<u>2.0%</u>	-0.55%	-1.05%
Total	<u>100%</u>		

(a) An expected inflation of 2.5% used for this period

(b) An expected inflation of 3.0% used for this period

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability as of the measurement date, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease 6.65%</u>	<u>Discount Rate 7.65%</u>	<u>1% Increase 8.65%</u>
Miscellaneous	\$ 7,640,595	\$4,394,784	\$ 1,714,993
Safety	11,804,568	7,171,553	3,372,566

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 13: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description

The City of Auburn Retiree Healthcare Plan (Plan) is a single-employer defined benefit healthcare plan administered by the City. The Plan provides healthcare insurance benefits to eligible retirees. Benefit provisions are established and may be amended by the City. The Retiree Healthcare Plan does not issue a publicly available financial report.

The City provides retiree medical benefits through California Public Employees Retirement System healthcare program. The City contributes the Public Employees' Medical and Hospital Care Act (PEMHCA) minimum required employer contribution (\$115 per month in 2013) towards the retiree monthly premium for eligible retirees participating in PEMHCA.

B. Funding Policy

The contribution requirements of the plan members and the City are established and may be amended by the City. The City is not pre-funding the plan.

The annual required contribution (ARC) is an amount actuarially determined in accordance with the parameters of GASB Statement 45 - Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions. The City elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement No. 45 for employers in plans with fewer than one hundred total plan members. The City's ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize the unfunded actuarial liability over a period of 30 years.

C. Annual OPEB Cost and Net OPEB Obligation

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and the City's net OPEB obligation.

Annual required contribution	\$ 145,127
Interest on net OPEB Obligation	16,550
Adjustment to Annual Required Contribution	(28,146)
Annual OPEB Cost	133,531
Contributions Made	(22,674)
Increase (decrease) in Net OPEB Obligation	110,857
Net OPEB Obligation Beginning	551,667
Net OPEB Obligation Ending	<u>\$ 662,524</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current and prior two years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2014	\$ 104,828	16.46%	\$ 441,512
June 30, 2015	130,634	15.68%	551,667
June 30, 2016	133,531	16.98%	662,524

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 13: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

D. Funded Status and Funding Progress

As of June 30, 2016, the most recent actuarial valuation date, the plan was 0.0 percent funded. The actuarial accrued liability was \$967,024 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$967,024. The covered payroll (annual payroll of employees covered by the plan) was \$4,942,095, and the ratio of the UAAL to the covered payroll was 19.6 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information (as it becomes available) that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

Retirement age for active employees - Based on the historical retirement age for the covered group, active plan members were assumed to retire at age 50, or at the first subsequent year in which the member would qualify for benefits.

Marital status - Marital status of members at the calculation date was assumed to continue throughout retirement.

Mortality - Life expectancies were based on mortality tables from the Centers for Disease Control and Prevention website and then averaged for the City as a whole.

Turnover - Non-group specific age based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Healthcare cost trend rate - The expected rate of increase in healthcare insurance premiums was based on projects provided by CalPERS. A rate of 2.68 percent for 2014 decreased to 2.5 percent annually thereafter was used.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 13: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

E. Actuarial Methods and Assumptions (Continued)

Health insurance premiums - 2013 projected PEMHCA minimum required employer contribution amounts of \$115 per month for retirees were used as the basis for calculation of the present value of total benefits to be paid.

Inflation rate - The expected long-term inflation assumption of 2.5 percent was based on historical trends in United States inflation.

Payroll growth rate - The expected long-term payroll growth rate was assumed to equal the rate of inflation.

Based on the historical and expected returns of the City's long-term investment portfolio, a discount rate of 3 percent was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2016 was twenty-four years.

NOTE 14: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disaster.

There is no claims liability to be reported based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount for the loss can be reasonably estimated.

There were no significant reductions in insurance coverage from prior years and there have been no settlements exceeding the insurance coverage for each of the past three fiscal years.

The City is a member of Northern California Cities Self-Insurance Fund (NCCSIF), a joint powers agency which provides the City with a shared risk layer of coverage above the self-insured retention amount for liability and workers' compensation. The City pays an annual premium to NCCSIF for its insurance coverage.

General Liability Coverage: Annual deposits are paid by member cities and are adjusted retrospectively to cover costs. Each member city, including Auburn, self-insures for the first \$50,000 of each loss. Participating cities share in loss occurrences in excess of \$50,000 up to a maximum of \$500,000. Premiums accrue based on the ultimate cost of the experience of the group of Cities. Coverage in excess of \$500,000 is provided through the California Joint Powers Insurance Risk Management Authority, a joint powers authority organized to provide excess coverage for its members.

Workers' Compensation Coverage: Annual deposits are paid by member cities and are adjusted retrospectively to cover costs. The City self-insured for the first \$100,000 of each loss and has purchased excess coverage with limits of \$5,000,000 per occurrence.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 14: RISK MANAGEMENT (CONTINUED)

NCCSIF is a joint powers agency organized in accordance with Article 1, Chapter 5, Division 7, Title 1 of the California Government Fund Programs. The purpose is to create a common pool of funds to be used to meet obligations of the parties to provide workers' compensation benefits for their employees and to provide excess liability insurance. The Authority provides claims processing administrative services, risk management services, and actuarial studies. It is governed by a member from each city. The City of Auburn council members do not have significant oversight responsibility, since they evenly share all factors of responsibility with the other cities. However, ultimate liability for payment of claims and insurance premiums resides with member cities. The Authority is empowered to make supplemental assessments as needed to eliminate deficit positions of member cities. If the JPA becomes insolvent, the City is responsible only to the extent of any deficiency in its equity balance.

Upon termination of the JPA agreement, all property of the Authority will vest in the respective parties which theretofore transferred, conveyed or leased said property to the Authority. Any surplus of funds will be returned to the parties in proportion to actual balances of each equity.

The Authority establishes claims liabilities based on estimates of the ultimate cost of claims (including future claims settlement expenses) that have been reported but not settled, plus estimates of claims that have been incurred but not reported. Because actual claims costs depend on various factors, the claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision of inflation is implicit in the calculation of estimated future claims costs. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

The participants as of June 30, 2016 were as follows:

- | | |
|-------------|---------------|
| • Anderson | • Lincoln |
| • Auburn | • Marysville |
| • Colusa | • Nevada City |
| • Corning | • Oroville |
| • Dixon | • Paradise |
| • Elk Grove | • Placerville |
| • Folsom | • Red Bluff |
| • Galt | • Rio Vista |
| • Gridley | • Rocklin |
| • Ione | • Willows |
| • Jackson | • Yuba City |

The City's equity investment in the NCCSIF of \$234,949 is recorded in the General fund as Prepaid Insurance. The net change in equity is shown as an income or expenditure item in the General fund.

NOTE 15: OTHER INFORMATION

A. Commitments and Contingencies

At June 30, 2016, the City had construction contracts outstanding of approximately \$48,591 for the Nevada Street Bicycle project and the Sewer Oxidation Ditch.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 15: OTHER INFORMATION (CONTINUED)

A. Commitments and Contingencies (Continued)

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the appreciable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

B. Successor Agency Trust for Assets of Former Redevelopment Agency

In accordance with Assembly Bill 1X26 and Assembly Bill 1434, all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities as of February 1, 2012. The activity of the Successor Agency Trust for Assets of Former Redevelopment Agency (Successor Agency) is recorded in a private purpose trust.

The following is a summary of changes in long-term liabilities for the year ended June 30, 2016:

<u>Type of Indebtedness</u>	<u>Balance July 1, 2015</u>	<u>Additions/ Adjustments</u>	<u>Retirements</u>	<u>Balance June 30, 2016</u>	<u>Amounts Due Within One Year</u>
Tax allocation bonds	\$ 4,145,000	\$ 4,475,000	(\$4,215,000)	\$ 4,405,000	\$ 130,000
Less: Discount	(78,716)	120,481	73,478	115,243	5,238
Tax allocation bonds, net	<u>4,066,284</u>	<u>4,595,481</u>	<u>(4,141,522)</u>	<u>4,520,243</u>	<u>135,238</u>
Total	<u>\$ 4,066,284</u>	<u>\$ 4,595,481</u>	<u>(\$4,141,522)</u>	<u>\$ 4,520,243</u>	<u>\$ 135,238</u>

Individual issues of debt payable outstanding at June 30, 2016, are as follows:

Tax Allocation Bonds:

Auburn Urban Development Authority 2015 Tax Allocation Refunding Bonds, issued October 1, 2015 in the amount of \$4,475,000 and payable in annual installments of \$70,000 to \$235,000, with an interest rate of 2.75% to 5.00% and maturity on June 1, 2038. The bonds were used to refund the 2008 Tax Allocation Revenue Bonds.

	<u>\$ 4,405,000</u>
Total Tax Allocation Bonds	<u>\$ 4,405,000</u>

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 15: OTHER INFORMATION (CONTINUED)

B. Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

Following is a schedule of debt payment requirements to maturity for long-term debt:

Year Ended June 30	Tax Allocation Bonds		
	Principal	Interest	Total
2017	\$ 130,000	\$ 165,356	\$ 295,356
2018	135,000	160,156	295,156
2019	140,000	154,756	294,756
2020	145,000	149,156	294,156
2021	155,000	143,356	298,356
2022-2026	880,000	613,531	1,493,531
2027-2031	1,040,000	442,706	1,482,706
2032-2036	1,225,000	257,025	1,482,025
2037-2038	555,000	33,400	588,400
Total	<u>\$ 4,405,000</u>	<u>\$ 2,119,442</u>	<u>\$ 6,524,442</u>

C. Advance Refunding

The Successor Agency to the Auburn Urban Development Authority issued \$4,475,000 in 2015 Tax Allocation Refunding Bonds with interest rates ranging from 2.75 percent to 5.00 percent. The proceeds were used to advance refund \$4,066,281 of outstanding AUDA Tax Allocation Bonds Series 2008 with interest rates ranging from 3.00 percent to 6.00 percent. The net proceeds of \$4,314,526 were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the AUDA Tax Allocation Bonds Series 2008 are considered defeased and the liability for those bonds has been removed from the statement of fiduciary net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$708,070. This amount is reported as a deferred outflow of resources and is being amortized over the life of the new debt. The Successor Agency to the Auburn Urban Development Authority advance refunded the AUDA Tax Allocation Bonds Series 2008 to reduce its total debt service payments over 22 years by \$911,806 and to obtain an economic gain (difference between present values of the debt service payments on the old and new debt) of \$283,071.

D. Subsequent Events

Management has evaluated events subsequent to June 30, 2016 through January 20, 2017, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

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**Required Supplementary Information
(Unaudited)**

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CITY OF AUBURN
Required Supplementary Information
City Pension Plans
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2016
Last 10 Years*

	<u>2015</u>	<u>2016</u>
Miscellaneous Plan		
Proportion of the net pension liability	0.06743%	0.06400%
Proportionate share of the net pension liability	\$ 4,195,706	\$ 4,394,784
Covered employee payroll	2,478,120	2,478,120
Proportionate share of the net pension liability as a percentage of covered employee payroll	169.31%	177.34%
Plan fiduciary net position as a percentage of the total pension liability	81.99%	81.56%
 Safety		
Proportion of the net pension liability	0.09921%	0.10450%
Proportionate share of the net pension liability	\$ 6,168,323	\$ 7,171,553
Covered employee payroll	2,768,639	2,768,639
Proportionate share of the net pension liability as a percentage of covered employee payroll	223.33%	259.03%
Plan fiduciary net position as a percentage of the total pension liability	0.00%	78.78%

* The City implemented GASB 68 for fiscal year June 30, 2015, therefore only two years are shown.

CITY OF AUBURN
Required Supplementary Information
City Pension Plans
Schedule of Contributions
For the Year Ended June 30, 2016
Last 10 Years*

	<u>2015**</u>	<u>2016</u>
Miscellaneous Plan		
Contractually required contribution (actuarially determined)	\$ 269,291	\$ 169,752
Contributions in relation to the actuarially determined contributions	<u>(269,291)</u>	<u>(356,932)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (187,180)</u>
Covered employee payroll	\$ 2,478,120	\$ 2,194,375
Contributions as a percentage of covered employee payroll	10.87%	7.74%
Safety		
Contractually required contribution (actuarially determined)	\$ 774,595	\$ 510,223
Contributions in relation to the actuarially determined contributions	<u>(774,595)</u>	<u>(816,002)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (305,779)</u>
Covered employee payroll	\$ 2,768,639	\$ 2,747,719
Contributions as a percentage of covered employee payroll	27.98%	18.57%

* The City implemented GASB 68 for fiscal year June 30, 2015, therefore only two years are shown.

**The June 30, 2015 balances have been restated to agree to the actual contributions per the City records.

CITY OF AUBURN
Required Supplementary Information
Notes to City Pension Plans
For the Year Ended June 30, 2016

NOTE 1: SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Change of assumptions: The discount rate was changed from 7.50 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense.

NOTE 2: SCHEDULE OF CONTRIBUTIONS

Methods and assumptions used to determine the contribution rates for the Miscellaneous Plan were as follows:

Valuation Date	June 30, 2012
Actuarial cost method	Entry-Age Normal
Amortization method	For details, see June 30, 2012 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets
Inflation	2.75%
Salary increases	Varies by entry-age and service
Payroll growth	3.00%
Investment rate of return	7.50%, net of pension plan investment and administrative expense, including inflation
Retirement age	The probabilities of retirement are based on the 2010 CalPERS experience study for the period 1997 to 2007

Methods and assumptions used to determine the contribution rates for the Safety Plan were as follows:

Valuation Date	June 30, 2012
Actuarial cost method	Entry-Age Normal
Amortization method	For details, see June 30, 2012 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets
Inflation	2.75%
Salary increases	Varies by entry-age and service
Payroll growth	3.00%
Investment rate of return	7.50%, net of pension plan investment and administrative expense, including inflation
Retirement age	The probabilities of retirement are based on the 2010 CalPERS experience study for the period 1997 to 2007

CITY OF AUBURN
Required Supplementary Information
City OPEB Plan
Schedule of Funding Progress
For the Year Ended June 30, 2016

SCHEDULE OF FUNDING PROGRESS

The Schedule of Funding Progress - Other Postemployment Benefits provides a consolidated snapshot of the City's ability to meet current and future liabilities with the plan assets. Of particular interest to most is the funded status ratio. This ratio conveys a plan's level of assets to liabilities, an important indicator to determine the financial health of the OPEB plan. The closer the plan is to a 100 percent funded status, the better position it will be in to meet all of its future liabilities.

The table below shows a three year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30, 2016 for the City Other Postemployment Benefit Plan.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	Entry Age UAAL as a % of Covered Payroll
June 30, 2014	\$ -	\$ 951,268	\$ 951,268	0.0%	\$ 5,374,311	17.7%
June 30, 2015	-	883,253	883,253	0.0%	4,690,172	18.8%
June 30, 2016	-	967,024	967,024	0.0%	4,942,095	19.6%

CITY OF AUBURN
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 8,793,153	\$ 9,974,674	\$ 10,027,755	\$ 53,081
Licenses and permits	318,200	322,700	335,071	12,371
Fines and forfeitures	45,300	42,600	55,479	12,879
Use of money and property	324,134	324,134	247,734	(76,400)
Other governmental agencies	340,500	479,094	441,875	(37,219)
Charges for services	105,500	158,968	186,396	27,428
Other revenues	110,000	29,345	38,207	8,862
Total Revenues	10,036,787	11,331,515	11,332,517	1,002
EXPENDITURES				
Current:				
General government:				
City council	79,464	81,339	76,937	4,402
City manager	156,084	159,100	146,032	13,068
City clerk	108,830	111,451	103,020	8,431
Administrative services	423,882	435,899	428,651	7,248
City attorney	150,000	175,000	217,715	(42,715)
Information technology	155,000	175,000	201,084	(26,084)
Insurance programs	449,618	449,618	323,507	126,111
Support for community programs	71,604	71,604	59,423	12,181
Nondepartmental	3,500	3,500	1,190	2,310
Total General Government	1,597,982	1,662,511	1,557,559	104,952
Public Safety:				
Police	3,959,645	3,908,645	3,808,742	99,903
Fire	1,889,557	2,101,999	2,131,212	(29,213)
Total Public Safety	5,849,202	6,010,644	5,939,954	70,690
Transportation:				
Administration and engineering	166,332	261,628	320,060	(58,432)
Building maintenance	386,100	519,814	284,605	235,209
Construction and maintenance	449,057	508,057	507,975	82
Yard and shop	224,916	208,916	175,409	33,507
Stormwater management	33,500	33,500	36,368	(2,868)
Total Transportation	1,259,905	1,531,915	1,324,417	207,498
Community development:				
Administration	217,108	259,298	290,907	(31,609)
Building inspections	161,564	151,564	120,685	30,879
Total Community Development	378,672	410,862	411,592	(730)

CITY OF AUBURN
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
EXPENDITURES				
Nondepartmental:				
Debt service	603,122	603,122	588,083	15,039
Capital outlay	246,500	294,176	301,878	(7,702)
Total Nondeparmental	849,622	897,298	889,961	7,337
Total Expenditures	9,935,383	10,513,230	10,123,483	389,747
Excess of Revenues Over (Under) Expenditures	101,404	818,285	1,209,034	390,749
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	99,876	99,876
Transfers in	151,221	201,221	196,294	(4,927)
Transfers out	(12,650)	(29,602)	(12,629)	16,973
Total Other Financing Sources (Uses)	138,571	171,619	283,541	111,922
Net Change in Fund Balance	239,975	989,904	1,492,575	502,671
Fund Balance - Beginning	4,635,345	4,635,345	4,635,345	-
Prior period adjustment	-	-	(201,638)	(201,638)
Fund Balance - Beginning, Restated	4,635,345	4,635,345	4,433,707	(201,638)
Fund Balance - Ending	\$ 4,875,320	\$ 5,625,249	\$ 5,926,282	\$ 301,033

CITY OF AUBURN
Required Supplementary Information
Budgetary Comparison Schedule
Transportation - Major Special Revenue Fund
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ -	\$ (500)	\$ (8,631)	\$ (8,131)
Intergovernmental	1,157,217	1,157,217	573,481	(583,736)
Total Revenues	<u>1,157,217</u>	<u>1,156,717</u>	<u>564,850</u>	<u>(591,867)</u>
EXPENDITURES				
Current:				
Transportation	431,217	907,003	869,756	37,247
Capital outlay	726,500	721,500	284,272	437,228
Total Expenditures	<u>1,157,717</u>	<u>1,628,503</u>	<u>1,154,028</u>	<u>474,475</u>
Excess of Revenues Over (Under) Expenditures	<u>(500)</u>	<u>(471,786)</u>	<u>(589,178)</u>	<u>(117,392)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	431,388	431,388	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>431,388</u>	<u>431,388</u>	<u>-</u>
Net Change in Fund Balance	<u>(500)</u>	<u>(40,398)</u>	<u>(157,790)</u>	<u>(117,392)</u>
Fund Balance - Beginning	<u>(207,219)</u>	<u>(207,219)</u>	<u>(207,219)</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ (207,719)</u></u>	<u><u>\$ (247,617)</u></u>	<u><u>\$ (365,009)</u></u>	<u><u>\$ (117,392)</u></u>

CITY OF AUBURN
Required Supplementary Information
Notes to Budgetary Comparison Schedules
For the Year Ended June 30, 2016

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue funds, and Capital Project funds and is controlled at the department level for the City. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

The following procedures are performed by the City in establishing the budgetary data reflected in the financial statements:

- (1) The City Manager and City Administrative Services Director submits to the City Council a recommended operating budget for the fiscal year commencing the following July 1. The operating budget includes recommended expenditures and the means of financing them.
- (2) Public hearings, when required, are conducted at City Hall to obtain taxpayer comments.
- (3) Prior to July 1 (when possible), the budget is legally enacted through passage of a formal resolution.
- (4) Any revisions which alter the total expenditures of any fund must be approved by the City Council.

Budgeted amounts are as originally adopted or as subsequently revised by the City Council. All unused appropriations for budgeted amounts lapse at the end of the year.

Annual appropriated budgets are not adopted for certain funds established to meet or satisfy a specific purpose. For the fiscal year ended June 30, 2016, the following nonmajor special revenue and capital project funds were considered established for a specific purpose and did not have annual appropriated budgets:

Maidu Fire Station
Auburn School Park Preserve
Hwy 49 Beautification
Project Fund

The City does not use encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

CITY OF AUBURN
Required Supplementary Information
Notes to Budgetary Comparison Schedules
For the Year Ended June 30, 2016

NOTE 2: BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATIONS

The following General fund departments had an excess of expenditures over appropriations at the legal level of budgetary control as follows:

Fund	Department	Excess of Expenditures Over Appropriations
General fund	City attorney	\$ 42,715
	Information technology	26,084
	Fire	29,213
	Administration and engineering	58,432
	Stormwater management	2,868
	Community development	31,609
	Capital outlay	7,702

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**Combining and Individual Fund Statements and
Schedules**

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Nonmajor Governmental Funds

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CITY OF AUBURN
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	Special Revenue Funds	Capital Projects Funds	Totals
ASSETS			
Cash and investments	\$ 819,184	\$ 933,782	\$ 1,752,966
Receivables:			
Accounts	37,412	-	37,412
Intergovernmental	173,755	-	173,755
Due from other funds	-	10,000	10,000
Prepaid costs	5,066	-	5,066
Restricted cash and investments	437,836	-	437,836
Loans receivable	473,275	-	473,275
Total Assets	<u>\$ 1,946,528</u>	<u>\$ 943,782</u>	<u>\$ 2,890,310</u>
LIABILITIES			
Accounts payable	\$ 35,687	\$ 234	\$ 35,921
Accrued salaries and benefits	11,979	-	11,979
Deposits payable	-	1,318	1,318
Due to other funds	221,217	230,331	451,548
Total Liabilities	<u>268,883</u>	<u>231,883</u>	<u>500,766</u>
FUND BALANCES			
Nonspendable	5,066	-	5,066
Restricted	1,811,058	943,548	2,754,606
Unassigned	(138,479)	(231,649)	(370,128)
Total Fund Balances	<u>1,677,645</u>	<u>711,899</u>	<u>2,389,544</u>
Total Liabilities and Fund Balances	<u>\$ 1,946,528</u>	<u>\$ 943,782</u>	<u>\$ 2,890,310</u>

CITY OF AUBURN
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2016

	Special Revenue Funds	Capital Projects Funds	Totals
REVENUES			
Taxes	\$ 141,303	\$ -	\$ 141,303
Licenses and permits	23,568	5,126	28,694
Use of money and property	1,067	16,934	18,001
Intergovernmental	1,266,824	-	1,266,824
Charges for services	25,337	26	25,363
Other revenues	40,297	-	40,297
Total Revenues	<u>1,498,396</u>	<u>22,086</u>	<u>1,520,482</u>
EXPENDITURES			
Current:			
General government	66,542	-	66,542
Public safety	227,034	-	227,034
Transportation	900,440	(2,250)	898,190
Community development	11,188	238	11,426
Debt service:			
Principal	16,611	-	16,611
Interest and other charges	2,795	-	2,795
Capital outlay	444,131	-	444,131
Total Expenditures	<u>1,668,741</u>	<u>(2,012)</u>	<u>1,666,729</u>
Excess of Revenues Over (Under) Expenditures	<u>(170,345)</u>	<u>24,098</u>	<u>(146,247)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	(154,757)	(431,388)	(586,145)
Total Other Financing Sources (Uses)	<u>(154,757)</u>	<u>(431,388)</u>	<u>(586,145)</u>
Net Change in Fund Balances	<u>(325,102)</u>	<u>(407,290)</u>	<u>(732,392)</u>
Fund Balances - Beginning	2,002,747	1,169,131	3,171,878
Prior period adjustment	-	(49,942)	(49,942)
Fund Balances - Beginning, Restated	<u>2,002,747</u>	<u>1,119,189</u>	<u>3,121,936</u>
Fund Balances - Ending	<u><u>\$ 1,677,645</u></u>	<u><u>\$ 711,899</u></u>	<u><u>\$ 2,389,544</u></u>

Nonmajor Governmental Funds

- **Special Revenue Funds**

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CITY OF AUBURN
Nonmajor Special Revenue Funds
Narrative Summary

Special Revenue funds are used to account for and report the proceeds of specific revenues that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. Nonmajor special revenue funds used by the City are listed below:

State Gas Tax Fund

The State Gas Tax fund accounts for gas tax revenue allocations from the State. Funds received are restricted to expenditures for street maintenance, traffic safety, and construction.

Transit Fund

The Transit fund is used to account for all revenues and expenditures necessary to provide public transit services and to construct and maintain transit related facilities and infrastructure.

Property Seizures Fund

This fund accounts for cash and assets seized as a result of law enforcement activities. Generally, such funds are held on deposit until expiration of the required holding period and/or funds are provided to appropriate parties.

Maidu Fire Station Fund

This fund accounts for development impact fees received for the maintenance and upkeep of the Maidu Fire Station. The Fire Department periodically appropriates these funds towards upkeep of the station and for the purchase of new equipment.

HOME Housing Rehabilitation & First Time Homebuyer Fund

The HOME Housing Rehabilitation and First Time Homebuyer (Community Development Block Grant Fund) is used to account for monies received from the State and Federal governments and loaned by the City to individuals buying a home for the first time and/or engaging in applicable home rehabilitation activities. Funds, when repaid, are provided to new individuals qualifying for loans.

Small Business Loans (Community Development Block Grant) Fund

The Small Business Loans (Community Development Block Grant) Fund is used to account for monies received from the State and Federal governments and loaned by the City to individuals and businesses to encourage small business growth. Funds, when repaid, are provided to new businesses.

Solid Waste Management Fund

The Solid Waste Management Funds are used to account for recycling programs funded by State grants and program expenditures related to the City's closed landfill located at the Auburn Municipal Airport.

Office of Traffic Safety Grant Fund

The Office of Traffic Safety (OTS) Grant fund is used to account for OTS grant funds received and the corresponding eligible expenditures as authorized by the grants.

CITY OF AUBURN
Nonmajor Special Revenue Funds
Narrative Summary

State Law Enforcement Grant Fund

The State Law Enforcement Personnel Grant Fund accounts for grant revenues received from the State which must be wholly spent for Law Enforcement personnel. These funds reimburse the General fund for approximately 2.0 FTE Police Officers.

Facilities and Equipment Fund

The Facilities and Equipment Plan Fund accounts for revenues received through mitigation fees assessed on construction of new residential units and renovation of commercial and industrial spaces. Revenues received are used to fund recurring capital outlay as it relates to the purchase of equipment for citywide departments.

Miscellaneous Grants Fund

These funds account for grant revenues received for public safety (i.e. FEMA/Law Enforcement) activities. Generally, these funds must be used for specific law enforcement and fire activities.

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CITY OF AUBURN
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

	State Gas Tax	Transit	Property Seizures	Maidu Fire Station	HOME Housing Rehabilitation & First Time Homebuyer
ASSETS					
Cash and investments	\$ -	\$ -	\$ 43,356	\$ 37,875	\$ 120,205
Receivables:					
Accounts	-	-	-	-	-
Intergovernmental	25,273	102,593	8,769	-	-
Prepaid costs	-	5,066	-	-	-
Restricted cash and investments	-	-	-	-	-
Loans receivable	-	-	-	-	235,952
Total Assets	\$ 25,273	\$ 107,659	\$ 52,125	\$ 37,875	\$ 356,157
LIABILITIES					
Accounts payable	\$ 19,419	\$ 6,688	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	11,979	-	-	-
Due to other funds	24,817	196,400	-	-	-
Total Liabilities	44,236	215,067	-	-	-
FUND BALANCES					
Nonspendable	-	5,066	-	-	-
Restricted	-	-	52,125	37,875	356,157
Unrestricted	(18,963)	(112,474)	-	-	-
Total Fund Balances	(18,963)	(107,408)	52,125	37,875	356,157
Total Liabilities and Fund Balances	\$ 25,273	\$ 107,659	\$ 52,125	\$ 37,875	\$ 356,157

Small Business Loans	Solid Waste Management	Office of Traffic Safety Grant	State Law Enforcement Grant	Facilities and Equipment	Miscellaneous Grants	Totals
\$ 286,694	\$ 34,726	\$ 2,538	\$ -	\$ 139,655	\$ 154,135	\$ 819,184
-	37,412	-	-	-	-	37,412
-	-	-	-	-	37,120	173,755
-	-	-	-	-	-	5,066
-	437,836	-	-	-	-	437,836
237,323	-	-	-	-	-	473,275
<u>\$ 524,017</u>	<u>\$ 509,974</u>	<u>\$ 2,538</u>	<u>\$ -</u>	<u>\$ 139,655</u>	<u>\$ 191,255</u>	<u>\$ 1,946,528</u>
\$ -	\$ -	\$ 9,580	\$ -	\$ -	\$ -	\$ 35,687
-	-	-	-	-	-	11,979
-	-	-	-	-	-	221,217
-	-	9,580	-	-	-	268,883
-	-	-	-	-	-	5,066
524,017	509,974	-	-	139,655	191,255	1,811,058
-	-	(7,042)	-	-	-	(138,479)
524,017	509,974	(7,042)	-	139,655	191,255	1,677,645
<u>\$ 524,017</u>	<u>\$ 509,974</u>	<u>\$ 2,538</u>	<u>\$ -</u>	<u>\$ 139,655</u>	<u>\$ 191,255</u>	<u>\$ 1,946,528</u>

CITY OF AUBURN
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2016

	State Gas Tax	Transit	Property Seizures	Maidu Fire Station	HOME Housing Rehabilitation & First Time Homebuyer
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Use of money and property	(1,587)	(5,594)	-	-	(3)
Intergovernmental	306,009	682,839	-	-	1,474
Charges for services	-	25,337	-	-	-
Other revenues	-	1,720	8,768	-	-
Total Revenues	<u>304,422</u>	<u>704,302</u>	<u>8,768</u>	<u>-</u>	<u>1,471</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Transportation	400,070	500,370	-	-	-
Community development	-	-	-	-	5,334
Debt service:					
Principal	-	-	16,611	-	-
Interest and other charges	-	-	2,795	-	-
Capital outlay	-	444,131	-	-	-
Total Expenditures	<u>400,070</u>	<u>944,501</u>	<u>19,406</u>	<u>-</u>	<u>5,334</u>
Excess of Revenues Over (Under)					
Expenditures	<u>(95,648)</u>	<u>(240,199)</u>	<u>(10,638)</u>	<u>-</u>	<u>(3,863)</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	-	(22,314)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(22,314)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(95,648)</u>	<u>(262,513)</u>	<u>(10,638)</u>	<u>-</u>	<u>(3,863)</u>
Fund Balances - Beginning	<u>76,685</u>	<u>155,105</u>	<u>62,763</u>	<u>37,875</u>	<u>360,020</u>
Fund Balances - Ending	<u>\$ (18,963)</u>	<u>\$ (107,408)</u>	<u>\$ 52,125</u>	<u>\$ 37,875</u>	<u>\$ 356,157</u>

Small Business Loans	Solid Waste Management	Office of Traffic Safety Grant	State Law Enforcement Grant	Facilities and Equipment	Miscellaneous Grants	Totals
\$ -	\$ 141,303	\$ -	\$ -	\$ -	\$ -	\$ 141,303
-	-	-	-	23,568	-	23,568
(6,261)	17,960	-	-	(3,448)	-	1,067
12,422	5,000	54,893	114,618	-	89,569	1,266,824
-	-	-	-	-	-	25,337
-	-	-	-	29,809	-	40,297
6,161	164,263	54,893	114,618	49,929	89,569	1,498,396
-	-	61,935	-	4,607	-	66,542
-	221,849	-	-	-	5,185	227,034
-	-	-	-	-	-	900,440
5,854	-	-	-	-	-	11,188
-	-	-	-	-	-	16,611
-	-	-	-	-	-	2,795
-	-	-	-	-	-	444,131
5,854	221,849	61,935	-	4,607	5,185	1,668,741
307	(57,586)	(7,042)	114,618	45,322	84,384	(170,345)
-	-	(18,579)	(113,864)	-	-	(154,757)
-	-	(18,579)	(113,864)	-	-	(154,757)
307	(57,586)	(25,621)	754	45,322	84,384	(325,102)
523,710	567,560	18,579	(754)	94,333	106,871	2,002,747
\$ 524,017	\$ 509,974	\$ (7,042)	\$ -	\$ 139,655	\$ 191,255	\$ 1,677,645

CITY OF AUBURN
Budgetary Comparison Schedule
State Gas Tax - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 250	\$ 250	\$ (1,587)	\$ (1,837)
Intergovernmental	297,675	312,570	306,009	(6,561)
Total Revenues	<u>297,925</u>	<u>312,820</u>	<u>304,422</u>	<u>(8,398)</u>
EXPENDITURES				
Current:				
Transportation	382,500	389,806	400,070	(10,264)
Capital outlay	102,384	-	-	-
Total Expenditures	<u>484,884</u>	<u>389,806</u>	<u>400,070</u>	<u>(10,264)</u>
Net Change in Fund Balance	(186,959)	(76,986)	(95,648)	(18,662)
Fund Balance - Beginning	<u>76,685</u>	<u>76,685</u>	<u>76,685</u>	<u>-</u>
Fund Balance - Ending	<u>\$ (110,274)</u>	<u>\$ (301)</u>	<u>\$ (18,963)</u>	<u>\$ (18,662)</u>

CITY OF AUBURN
Budgetary Comparison Schedule
Transit - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 1,000	\$ -	\$ (5,594)	\$ (5,594)
Intergovernmental	998,942	795,858	682,839	(113,019)
Charges for services		30,000	25,337	(4,663)
Other revenues	-	-	1,720	1,720
Total Revenues	<u>999,942</u>	<u>825,858</u>	<u>704,302</u>	<u>(121,556)</u>
EXPENDITURES				
Current:				
Transportation	511,111	544,313	500,370	43,943
Capital outlay	433,930	444,568	444,131	437
Total Expenditures	<u>945,041</u>	<u>988,881</u>	<u>944,501</u>	<u>44,380</u>
Excess of Revenues Over (Under) Expenditures	<u>54,901</u>	<u>(163,023)</u>	<u>(240,199)</u>	<u>(77,176)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(22,314)	(22,314)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(22,314)</u>	<u>(22,314)</u>
Net Change in Fund Balance	54,901	(163,023)	(262,513)	(99,490)
Fund Balance - Beginning	<u>155,105</u>	<u>155,105</u>	<u>155,105</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 210,006</u>	<u>\$ (7,918)</u>	<u>\$ (107,408)</u>	<u>\$ (99,490)</u>

CITY OF AUBURN
Budgetary Comparison Schedule
Property Seizures - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Other revenues	\$ -	\$ -	\$ 8,768	\$ 8,768
Total Revenues	-	-	8,768	8,768
EXPENDITURES				
Debt service	19,406	19,406	19,406	-
Total Expenditures	19,406	19,406	19,406	-
Net Change in Fund Balance	(19,406)	(19,406)	(10,638)	8,768
Fund Balance - Beginning	62,763	62,763	62,763	-
Fund Balance - Ending	<u>\$ 43,357</u>	<u>\$ 43,357</u>	<u>\$ 52,125</u>	<u>\$ 8,768</u>

CITY OF AUBURN
Budgetary Comparison Schedule
HOME Housing Rehabilitation & First Time Homebuyer - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ -	\$ 100	\$ (3)	\$ (103)
Intergovernmental	-	113,554	1,474	(112,080)
Total Revenues	-	113,654	1,471	(112,183)
EXPENDITURES				
Current:				
Community development	5,000	49,739	5,334	44,405
Total Expenditures	5,000	49,739	5,334	44,405
Net Change in Fund Balance	(5,000)	63,915	(3,863)	(67,778)
Fund Balance - Beginning	360,020	360,020	360,020	-
Fund Balance - Ending	<u>\$ 355,020</u>	<u>\$ 423,935</u>	<u>\$ 356,157</u>	<u>\$ (67,778)</u>

CITY OF AUBURN
Budgetary Comparison Schedule
Small Business Loans - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 1,000	\$ 1,500	\$ (6,261)	\$ (7,761)
Intergovernmental	60,000	45,000	12,422	(32,578)
Total Revenues	<u>61,000</u>	<u>46,500</u>	<u>6,161</u>	<u>(40,339)</u>
EXPENDITURES				
Current:				
Community development	61,000	61,000	5,854	55,146
Total Expenditures	<u>61,000</u>	<u>61,000</u>	<u>5,854</u>	<u>55,146</u>
Net Change in Fund Balance	-	(14,500)	307	14,807
Fund Balance - Beginning	<u>523,710</u>	<u>523,710</u>	<u>523,710</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 523,710</u>	<u>\$ 509,210</u>	<u>\$ 524,017</u>	<u>\$ 14,807</u>

CITY OF AUBURN
Budgetary Comparison Schedule
Solid Waste Management - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 133,000	\$ 133,000	\$ 141,303	\$ 8,303
Use of money and property	3,954	3,500	17,960	14,460
Intergovernmental	5,000	5,000	5,000	-
Total Revenues	<u>141,954</u>	<u>141,500</u>	<u>164,263</u>	<u>22,763</u>
EXPENDITURES				
Current:				
Public safety	<u>190,521</u>	<u>168,714</u>	<u>221,849</u>	<u>(53,135)</u>
Total Expenditures	<u>190,521</u>	<u>168,714</u>	<u>221,849</u>	<u>(53,135)</u>
Net Changes in Fund Balance	<u>(48,567)</u>	<u>(27,214)</u>	<u>(57,586)</u>	<u>(30,372)</u>
Fund Balance - Beginning	<u>567,560</u>	<u>567,560</u>	<u>567,560</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ 518,993</u></u>	<u><u>\$ 540,346</u></u>	<u><u>\$ 509,974</u></u>	<u><u>\$ (30,372)</u></u>

CITY OF AUBURN
Budgetary Comparison Schedule
Office of Traffic Safety - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 44,568	\$ 44,568	\$ 54,893	\$ 10,325
Total Revenues	<u>44,568</u>	<u>44,568</u>	<u>54,893</u>	<u>10,325</u>
EXPENDITURES				
Current:				
General government	<u>44,568</u>	<u>44,568</u>	<u>61,935</u>	<u>(17,367)</u>
Total Expenditures	<u>44,568</u>	<u>44,568</u>	<u>61,935</u>	<u>(17,367)</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(7,042)</u>	<u>(7,042)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>-</u>	<u>-</u>	<u>(18,579)</u>	<u>(18,579)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(18,579)</u>	<u>(18,579)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>(25,621)</u>	<u>(25,621)</u>
Fund Balance - Beginning	<u>18,579</u>	<u>18,579</u>	<u>18,579</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ 18,579</u></u>	<u><u>\$ 18,579</u></u>	<u><u>\$ (7,042)</u></u>	<u><u>\$ (25,621)</u></u>

CITY OF AUBURN
Budgetary Comparison Schedule
State Law Enforcement Grant - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 114,618	\$ 14,618
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>114,618</u>	<u>14,618</u>
EXPENDITURES				
Current:				
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>100,000</u>	<u>100,000</u>	<u>114,618</u>	<u>14,618</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>100,000</u>	<u>99,246</u>	<u>(113,864)</u>	<u>(213,110)</u>
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>99,246</u>	<u>(113,864)</u>	<u>(213,110)</u>
Net Changes in Fund Balance	<u>200,000</u>	<u>199,246</u>	<u>754</u>	<u>(198,492)</u>
Fund Balance - Beginning	<u>(754)</u>	<u>(754)</u>	<u>(754)</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ 199,246</u></u>	<u><u>\$ 198,492</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (198,492)</u></u>

CITY OF AUBURN
Budgetary Comparison Schedule
Facilities and Equipment - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Licenses and permits	\$ 28,000	\$ 19,250	\$ 23,568	\$ 4,318
Use of money and property	1,000	1,000	(3,448)	(4,448)
Other revenues	-	29,809	29,809	-
Total Revenues	<u>29,000</u>	<u>50,059</u>	<u>49,929</u>	<u>(130)</u>
EXPENDITURES				
Current:				
General government	-	-	4,607	(4,607)
Debt service	7,342	7,342	-	7,342
Total Expenditures	<u>7,342</u>	<u>7,342</u>	<u>4,607</u>	<u>2,735</u>
Excess of Revenues Over (Under) Expenditures	<u>21,658</u>	<u>42,717</u>	<u>45,322</u>	<u>2,605</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	50,000	-	(50,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Net Changes in Fund Balance	<u>21,658</u>	<u>92,717</u>	<u>45,322</u>	<u>(47,395)</u>
Fund Balance - Beginning	<u>94,333</u>	<u>94,333</u>	<u>94,333</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 115,991</u>	<u>\$ 187,050</u>	<u>\$ 139,655</u>	<u>\$ (47,395)</u>

CITY OF AUBURN
Budgetary Comparison Schedule
Miscellaneous Grants - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 20,000	\$ 43,423	\$ 89,569	\$ 46,146
Total Revenues	<u>20,000</u>	<u>43,423</u>	<u>89,569</u>	<u>46,146</u>
EXPENDITURES				
Current:				
Public safety	<u>20,000</u>	<u>20,000</u>	<u>5,185</u>	<u>14,815</u>
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>5,185</u>	<u>14,815</u>
Net Change in Fund Balance	-	23,423	84,384	60,961
Fund Balance - Beginning	<u>106,871</u>	<u>106,871</u>	<u>106,871</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ 106,871</u></u>	<u><u>\$ 130,294</u></u>	<u><u>\$ 191,255</u></u>	<u><u>\$ 60,961</u></u>

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Nonmajor Governmental Funds

- **Capital Projects Funds**

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CITY OF AUBURN
Nonmajor Capital Projects Funds
Narrative Summary

The Capital Projects Funds are used to account for financial resources that are restricted, committed or assigned to expenditure for capital outlay. Nonmajor capital projects funds used by the City are listed below:

Auburn School Park Preserve Fund

The Auburn School Park Preserve Fund (ASPP) is used to account for the capital costs of restoring a park using a variety of funding sources. In FY 2005-06, a \$1.5 million “loan” was provided to the ASPP fund from the City’s General fund as an advance payment to the Army Corp of Engineers for related project costs (the Army Corp of Engineers managed the construction of the Park).

Highway 49 Beautification Fund

The Highway 49 Beautification Plan fund accounts for project costs specifically related to Highway 49. These funds may be used for eligible projects along the Highway 49 corridor.

Project Fund

The Project fund accounts for traffic mitigation fees collected for numerous project areas citywide. Funds collected for each project area may only be used for traffic mitigation projects within boundaries defined by each fee area resolution.

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CITY OF AUBURN
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2016

	Auburn School Park Preserve	Hwy 49 Beautification	Project Fund	Totals
ASSETS				
Cash and investments	\$ -	\$ -	\$ 933,782	\$ 933,782
Due from other funds	-	-	10,000	10,000
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 943,782</u>	<u>\$ 943,782</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 234	\$ 234
Deposits payable	-	1,318	-	1,318
Due to other funds	230,331	-	-	230,331
Total Liabilities	<u>230,331</u>	<u>1,318</u>	<u>234</u>	<u>231,883</u>
FUND BALANCES				
Restricted	-	-	943,548	943,548
Unassigned	(230,331)	(1,318)	-	(231,649)
Total Fund Balances	<u>(230,331)</u>	<u>(1,318)</u>	<u>943,548</u>	<u>711,899</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 943,782</u>	<u>\$ 943,782</u>

CITY OF AUBURN
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2016

	Auburn School Park Preserve	Hwy 49 Beautification	Project Fund	Totals
REVENUES				
Licenses and permits	\$ -	\$ -	\$ 5,126	\$ 5,126
Use of money and property	9,127	-	7,807	16,934
Charges for services	-	-	26	26
Total Revenues	<u>9,127</u>	<u>-</u>	<u>12,959</u>	<u>22,086</u>
EXPENDITURES				
Current:				
Transportation	-	-	(2,250)	(2,250)
Community development	238	-	-	238
Total Expenditures	<u>238</u>	<u>-</u>	<u>(2,250)</u>	<u>(2,012)</u>
Excess of Revenues Over (Under) Expenditures	<u>8,889</u>	<u>-</u>	<u>15,209</u>	<u>24,098</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(431,388)	(431,388)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(431,388)</u>	<u>(431,388)</u>
Net Change in Fund Balance	<u>8,889</u>	<u>-</u>	<u>(416,179)</u>	<u>(407,290)</u>
Fund Balances - Beginning	(239,220)	(1,318)	1,409,669	1,169,131
Prior period adjustment	-	-	(49,942)	(49,942)
Fund Balances - Beginning, Restated	<u>(239,220)</u>	<u>(1,318)</u>	<u>1,359,727</u>	<u>1,119,189</u>
Fund Balances - Ending	<u>\$ (230,331)</u>	<u>\$ (1,318)</u>	<u>\$ 943,548</u>	<u>\$ 711,899</u>

Fiduciary Funds

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CITY OF AUBURN
Fiduciary Funds
Narrative Summary

The Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.

Private Purpose Trust Funds

These funds are used to report other trust arrangements under which principal and income benefit individuals, private organizations, or other governments. The private purpose trust funds maintained by the City include the following:

Merchant's Council

This fund is used to report the activity of the Merchant's Council nonprofit organization.

Historic Auburn

This fund is used to report the activity of the Historic Auburn nonprofit organization.

Signature Theatre Sewer District

This fund is used to report the activity of the Signature Theatre Sewer District.

Auburn Arts Commission

This fund is used to report the activity of the Auburn Arts Commission.

Southwest Specific Plan

The fund is used to report the activity of the Southwest Specific Plan.

Successor Agency to the Auburn Urban Development Authority

The fund is used to report the dissolution of the Auburn Urban Development Authority.

CITY OF AUBURN
Fiduciary Funds

Agency Funds

These funds are used to report resources held by the City in a purely custodial capacity. The agency funds maintained by the City include the following:

Cable TV Access Fees

This fund collects monies from cable TV access fees and remits them to the Auburn Area Access Community Television Group.

Fire Safety Council

This fund collects monies from grants received for fire safety purposes and uses them for like purposes.

Recreation Park Development

This fund collects monies for recreation and park development.

Placer County Facilities Fee

This fund collects monies for the Placer County Facilities Fee and remits them to the Placer County Facilities Department.

Payroll Clearing

This fund collects monies from payroll and remits them to government agencies.

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CITY OF AUBURN
Combining Statement of Net Position
Private Purpose Trust Funds
June 30, 2016

	Merchant's Council	Historic Auburn	Signature Theatre Sewer District	Auburn Arts Commission
ASSETS				
Cash and investments	\$ 500	\$ 1,457	\$ 115	\$ -
Capital assets:				
Non-depreciable	-	-	-	-
Total Assets	500	1,457	115	-
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on refunding	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-
LIABILITIES				
Accounts payable	-	-	-	209
Interest payable	-	-	-	-
Long-term debt:				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
Total Liabilities	-	-	-	209
NET POSITION				
Net position held in trust	500	1,457	115	(209)
Total Net Position	\$ 500	\$ 1,457	\$ 115	\$ (209)

Southwest Specific Plan	Successor Agency to the Auburn Urban Development Authority			Total Private Purpose Trust Funds
	Debt Service	Housing	Projects	
\$ 6,647	\$ -	\$ -	\$ 111,968	\$ 120,687
-	-	350,000	-	350,000
6,647	-	350,000	111,968	470,687
-	677,284	-	-	677,284
-	677,284	-	-	677,284
-	-	-	-	209
-	13,628	-	-	13,628
-	135,238	-	-	135,238
-	4,385,005	-	-	4,385,005
-	4,533,871	-	-	4,534,080
6,647	(3,856,587)	350,000	111,968	(3,386,109)
<u>\$ 6,647</u>	<u>\$ (3,856,587)</u>	<u>\$ 350,000</u>	<u>\$ 111,968</u>	<u>\$ (3,386,109)</u>

CITY OF AUBURN
Combining Statement of Changes in Net Position
Private Purpose Trust Funds
For the Year Ended June 30, 2016

	Merchant's Council	Historic Auburn	Signature Theatre Sewer District	Auburn Arts Commission
ADDITIONS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Interest and investment income	-	-	-	-
Other contributions	38,347	20,364	-	51,837
Total Additions	<u>38,347</u>	<u>20,364</u>	<u>-</u>	<u>51,837</u>
DEDUCTIONS				
Distributions to participants	44,298	24,665	-	36,964
Program expenses of former redevelopment agency	-	-	-	-
Interest expense	-	-	-	-
Amortization	-	-	-	-
Total Deductions	<u>44,298</u>	<u>24,665</u>	<u>-</u>	<u>36,964</u>
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Change in Net Position	<u>(5,951)</u>	<u>(4,301)</u>	<u>-</u>	<u>14,873</u>
Net Position - Beginning	6,451	5,758	115	(15,082)
Prior period adjustment	-	-	-	-
Net Position - Beginning, Restated	<u>6,451</u>	<u>5,758</u>	<u>115</u>	<u>(15,082)</u>
Net Position - Ending	<u>\$ 500</u>	<u>\$ 1,457</u>	<u>\$ 115</u>	<u>\$ (209)</u>

Southwest Specific Plan	Successor Agency to the Auburn Urban Development Authority			Total Private Purpose Trust Funds
	Debt Service	Housing	Projects	
\$ -	\$ -	\$ -	\$ 460,609	\$ 460,609
(207)	(514)	-	122,724	122,003
-	-	-	-	110,548
(207)	(514)	-	583,333	693,160
(15)	-	-	-	105,912
-	(1,743)	-	340,857	339,114
-	217,585	-	-	217,585
-	27,829	-	-	27,829
(15)	243,671	-	340,857	690,440
-	495,646	-	22,456	518,102
-	(22,456)	-	(495,646)	(518,102)
(192)	229,005	-	(230,714)	2,720
6,839	(4,064,519)	350,000	342,682	(3,367,756)
-	(21,073)	-	-	(21,073)
6,839	(4,085,592)	350,000	342,682	(3,388,829)
\$ 6,647	\$ (3,856,587)	\$ 350,000	\$ 111,968	\$ (3,386,109)

CITY OF AUBURN
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2016

	Cable TV Access Fees	Fire Safety Council	Recreation Park Development	Placer County Facilities Fee
ASSETS				
Cash and investments	\$ 18,503	\$ 52	\$ 8,155	\$ 17,631
Receivables:				
Accounts	8,239	-	-	-
Intergovernmental	-	-	-	-
Total Assets	\$ 26,742	\$ 52	\$ 8,155	\$ 17,631
LIABILITIES				
Accounts payable	\$ 4,958	\$ -	\$ 425	\$ -
Due to other funds	-	-	-	-
Agency obligations	21,784	52	7,730	17,631
Total Liabilities	\$ 26,742	\$ 52	\$ 8,155	\$ 17,631

Payroll Clearing	Total Agency Funds
\$ -	\$ 44,341
-	8,239
5,050	5,050
<u>\$ 5,050</u>	<u>\$ 57,630</u>
<u><u>\$ 5,050</u></u>	<u><u>\$ 57,630</u></u>
\$ 667	\$ 6,050
3,492	3,492
891	48,088
<u>\$ 5,050</u>	<u>\$ 57,630</u>
<u><u>\$ 5,050</u></u>	<u><u>\$ 57,630</u></u>

CITY OF AUBURN
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2016

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>
CABLE TV ACCESS FEES				
ASSETS				
Cash and investments	\$ 8,471	\$ 31,051	\$ 21,019	\$ 18,503
Receivables:				
Accounts	1,750	8,239	1,750	8,239
Total Assets	<u>\$ 10,221</u>	<u>\$ 39,290</u>	<u>\$ 22,769</u>	<u>\$ 26,742</u>
LIABILITIES				
Accounts payable	\$ 4,958	\$ -	\$ -	\$ 4,958
Agency obligations	5,263	-	(16,521)	21,784
Total Liabilities	<u>\$ 10,221</u>	<u>\$ -</u>	<u>\$ (16,521)</u>	<u>\$ 26,742</u>
FIRE SAFETY COUNCIL				
ASSETS				
Cash and investments	\$ 53	\$ -	\$ 1	\$ 52
Total Assets	<u>\$ 53</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 52</u>
LIABILITIES				
Agency obligations	\$ 53	\$ -	\$ 1	\$ 52
Total Liabilities	<u>\$ 53</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 52</u>
RECREATION PARK DEVELOPMENT				
ASSETS				
Cash and investments	\$ 8,164		\$ 9	\$ 8,155
Total Assets	<u>\$ 8,164</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 8,155</u>
LIABILITIES				
Accounts payable	\$ 425	\$ -	\$ -	\$ 425
Agency obligations	7,739	-	9	7,730
Total Liabilities	<u>\$ 8,164</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 8,155</u>
PLACER COUNTY FACILITIES FEE				
ASSETS				
Cash and investments	\$ 20,475	\$ 20,929	\$ 23,773	\$ 17,631
Total Assets	<u>\$ 20,475</u>	<u>\$ 20,929</u>	<u>\$ 23,773</u>	<u>\$ 17,631</u>
LIABILITIES				
Agency obligations	\$ 20,475	\$ 20,929	\$ 23,773	\$ 17,631
Total Liabilities	<u>\$ 20,475</u>	<u>\$ 20,929</u>	<u>\$ 23,773</u>	<u>\$ 17,631</u>

CITY OF AUBURN
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2016

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>
PAYROLL CLEARING				
ASSETS				
Cash and investments	\$ 221,661	\$ -	\$ 221,661	\$ -
Receivables:				
Intergovernmental	5,050	-	-	5,050
Total Assets	<u>\$ 226,711</u>	<u>\$ -</u>	<u>\$ 221,661</u>	<u>\$ 5,050</u>
LIABILITIES				
Accounts payable	\$ 14,959	\$ 667	\$ 14,959	\$ 667
Due to other funds	-	3,492	-	3,492
Agency obligations	211,752	10,800	221,661	891
Total Liabilities	<u>\$ 226,711</u>	<u>\$ 14,959</u>	<u>\$ 236,620</u>	<u>\$ 5,050</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 258,824	\$ 51,980	\$ 266,463	44,341
Receivables:				
Accounts	1,750	8,239	1,750	8,239
Intergovernmental	5,050	-	-	5,050
Total Assets	<u>\$ 265,624</u>	<u>\$ 60,219</u>	<u>\$ 268,213</u>	<u>\$ 57,630</u>
LIABILITIES				
Accounts payable	\$ 20,342	\$ 667	\$ 14,959	\$ 6,050
Due to other funds	-	3,492	-	3,492
Agency obligations	245,282	31,729	228,923	48,088
Total Liabilities	<u>\$ 265,624</u>	<u>\$ 35,888</u>	<u>\$ 243,882</u>	<u>\$ 57,630</u>

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STATISTICAL SECTION

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CITY OF AUBURN
Statistical Section
Narrative Summary

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Source:

Unless otherwise stated, the information in this section is derived from the comprehensive annual financial reports for the relevant year.

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CITY OF AUBURN
Net Position by Component
Last Ten Fiscal Years
(full accrual basis of accounting)

	Fiscal Year			
	2006/2007	2007/2008	2008/2009	2009/2010
Governmental Activities				
Net investment in capital assets	\$ 13,711,814	\$ 14,935,931	\$ 19,336,184	\$ 18,886,386
Restricted	4,662,291	3,653,807	8,114,974	6,541,853
Unrestricted	2,001,513	2,860,462	(3,166,820)	(1,943,195)
Total governmental activities net position	<u>\$ 20,375,618</u>	<u>\$ 21,450,200</u>	<u>\$ 24,284,338</u>	<u>\$ 23,485,044</u>
Business-Type Activities				
Net investment in capital assets	\$ 16,775,408	\$ 16,307,102	\$ 17,671,003	\$ 19,008,750
Restricted	13,250	-	-	559,262
Unrestricted	3,567,844	5,089,154	4,871,695	4,603,714
Total business-type activities net position	<u>\$ 20,356,502</u>	<u>\$ 21,396,256</u>	<u>\$ 22,542,698</u>	<u>\$ 24,171,726</u>
Primary Government				
Net investment in capital assets	\$ 30,487,222	\$ 31,243,033	\$ 37,007,187	\$ 37,895,136
Restricted	4,675,541	3,653,807	8,114,974	7,101,115
Unrestricted	5,569,357	7,949,616	1,704,875	2,660,519
Total primary government net position	<u>\$ 40,732,120</u>	<u>\$ 42,846,456</u>	<u>\$ 46,827,036</u>	<u>\$ 47,656,770</u>

2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
\$ 17,508,894	\$ 21,555,502	\$ 20,966,807	\$ 20,815,460	\$ 21,053,667	\$ 20,545,598
5,089,610	3,000,169	3,296,195	3,323,613	3,413,170	2,759,672
214,035	311,924	812,150	773,227	(13,999,420)	(11,811,896)
<u>\$ 22,812,539</u>	<u>\$ 24,867,595</u>	<u>\$ 25,075,152</u>	<u>\$ 24,912,300</u>	<u>\$ 10,467,417</u>	<u>\$ 11,493,374</u>
\$ 16,358,353	\$ 17,106,731	\$ 18,226,969	\$ 18,371,032	\$ 18,643,735	\$ 22,005,703
559,263	559,263	559,263	559,263	559,263	559,263
9,075,908	9,180,877	9,238,584	9,395,474	9,518,070	7,116,426
<u>\$ 25,993,524</u>	<u>\$ 26,846,871</u>	<u>\$ 28,024,816</u>	<u>\$ 28,325,769</u>	<u>\$ 28,721,068</u>	<u>\$ 29,681,392</u>
\$ 33,867,247	\$ 38,662,233	\$ 39,193,776	\$ 39,186,492	\$ 39,697,402	\$ 42,551,301
5,648,873	3,559,432	3,855,458	3,882,876	3,972,433	3,318,935
9,289,943	9,492,801	10,050,734	10,168,701	(4,481,350)	(4,695,470)
<u>\$ 48,806,063</u>	<u>\$ 51,714,466</u>	<u>\$ 53,099,968</u>	<u>\$ 53,238,069</u>	<u>\$ 39,188,485</u>	<u>\$ 41,174,766</u>

CITY OF AUBURN
Changes in Net Position
Last Ten Fiscal Years
(full accrual basis of accounting)

	Fiscal Year			
	2006/2007	2007/2008	2008/2009	2009/2010
Expenses				
Governmental Activities:				
General government	\$ 2,325,979	\$ 2,067,619	\$ 1,741,542	\$ 1,735,630
Public safety	5,916,568	5,866,706	6,066,740	5,503,174
Transportation	4,343,717	3,165,262	2,592,016	2,926,324
Community development	1,748,798	1,443,691	1,490,980	1,326,272
Recreation and culture	20,654	17,586	33,292	36,339
Interest on long-term debt	575,295	301,594	475,274	276,751
Total Governmental Activities Expenses	14,931,011	12,862,458	12,399,844	11,804,490
Business-Type Activities				
Airport	740,501	615,186	574,112	604,719
Sewer	3,132,068	3,561,773	3,432,180	3,433,579
Total Business-Type Activities Expenses	3,872,569	4,176,959	4,006,292	4,038,298
Total Primary Government Expenses	<u>\$ 18,803,580</u>	<u>\$ 17,039,417</u>	<u>\$ 16,406,136</u>	<u>\$ 15,842,788</u>
Program Revenues				
Governmental Activities:				
Charges for services:				
General government	\$ 391,510	\$ 797,693	\$ 749,498	\$ 496,199
Public safety	167,362	279,340	369,292	120,660
Transportation	97,042	137,199	72,560	65,710
Community development	513,221	325,663	209,542	303,883
Recreation and culture	19,885	18,825	34,563	34,358
Operating grants and contributions	2,543,309	1,557,120	2,536,633	1,154,715
Capital grants and contributions	1,284,923	1,313,832	2,801,230	1,257,311
Total Governmental Activities Program Revenues	5,017,252	4,429,672	6,773,318	3,432,836
Business-Type Activities:				
Charges for services:				
Airport	14,887	556,139	566,954	834,189
Sewer	2,861,434	4,386,520	4,334,075	4,635,541
Operating grants and contributions	49,500	26,775	6,350	2,986
Capital grants and contributions	1,063,925	34,824	-	-
Total Business-Type Activities Program Revenues	3,989,746	5,004,258	4,907,379	5,472,716
Total Primary Government Program Revenues	<u>\$ 9,006,998</u>	<u>\$ 9,433,930</u>	<u>\$ 11,680,697</u>	<u>\$ 8,905,552</u>

<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>
\$ 1,340,063	\$ 1,678,027	\$ 1,890,167	\$ 1,474,340	\$ 1,889,941	\$ 1,125,600
5,147,639	5,139,270	5,421,554	6,369,373	6,053,257	6,409,094
3,254,955	2,766,145	3,508,302	3,145,072	2,137,436	3,569,520
881,511	670,701	693,696	934,437	1,513,541	891,621
-	-	-	-	-	-
539,949	360,834	266,979	258,754	243,174	228,595
<u>11,164,117</u>	<u>10,614,977</u>	<u>11,780,698</u>	<u>12,181,976</u>	<u>11,837,349</u>	<u>12,224,430</u>
551,423	647,973	666,373	681,504	760,253	856,554
3,543,183	4,128,331	4,108,614	5,040,454	4,684,549	4,944,147
<u>4,094,606</u>	<u>4,776,304</u>	<u>4,774,987</u>	<u>5,721,958</u>	<u>5,444,802</u>	<u>5,800,701</u>
<u>\$ 15,258,723</u>	<u>\$ 15,391,281</u>	<u>\$ 16,555,685</u>	<u>\$ 17,903,934</u>	<u>\$ 17,282,151</u>	<u>\$ 18,025,131</u>
\$ 593,738	\$ 548,326	\$ 810,080	\$ 523,315	\$ 580,477	\$ 549,138
30,726	30,093	25,249	24,609	21,097	24,680
225,045	243,660	284,103	265,717	353,966	352,938
-	-	-	-	891,621	-
-	-	-	-	-	-
1,700,882	1,115,106	2,565,297	2,574,530	3,652,206	2,329,220
490,889	492,234	2,468	-	19,666	-
<u>3,041,280</u>	<u>2,429,419</u>	<u>3,687,197</u>	<u>3,388,171</u>	<u>5,519,033</u>	<u>3,255,976</u>
526,017	611,558	630,290	672,754	652,827	680,150
4,635,853	4,899,585	5,388,670	5,218,233	5,653,470	5,881,043
609,843	1,553	77,692	86,311	84,249	-
-	-	-	-	-	-
<u>5,771,713</u>	<u>5,512,696</u>	<u>6,096,652</u>	<u>5,977,298</u>	<u>6,390,546</u>	<u>6,561,193</u>
<u>\$ 8,812,993</u>	<u>\$ 7,942,115</u>	<u>\$ 9,783,849</u>	<u>\$ 9,365,469</u>	<u>\$ 11,909,579</u>	<u>\$ 9,817,169</u>

CITY OF AUBURN
Changes in Net Position
Last Ten Fiscal Years
(full accrual basis of accounting)

	Fiscal Year			
	2006/2007	2007/2008	2008/2009	2009/2010
Net (Expense)/Revenue (1)				
Governmental activities	\$ (9,913,759)	\$ (8,432,786)	\$ (5,626,526)	\$ (8,371,654)
Business-type activities	117,177	827,299	901,087	1,434,418
 Total Primary Government Net Expense	<u>\$ (9,796,582)</u>	<u>\$ (7,605,487)</u>	<u>\$ (4,725,439)</u>	<u>\$ (6,937,236)</u>
 General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property taxes	\$ 4,085,695	\$ 4,195,552	\$ 4,064,058	\$ 3,816,117
Sales and use taxes	3,005,226	2,889,326	2,059,504	1,903,834
In-lieu sales taxes	1,376,879	1,141,045	1,040,123	701,744
Franchise taxes	648,170	644,702	657,957	621,108
Transient occupancy taxes	224,755	238,608	212,709	180,575
Other taxes	92,262	49,737	25,808	27,869
Grants and contributions - unrestricted	-	-	-	-
Rents	312,911	-	-	-
Interest and investment earnings	379,293	264,154	259,023	269,401
Miscellaneous	102,009	84,244	141,737	51,712
Transfers	2,214	-	-	-
Extraordinary gain	-	-	-	-
 Total Governmental Activities	<u>10,229,414</u>	<u>9,507,368</u>	<u>8,460,919</u>	<u>7,572,360</u>
 Business-Type Activities				
Property taxes	32,634	33,802	36,181	30,272
Rents	459,851	-	-	-
Interest and investment earnings	241,562	178,653	144,374	164,338
Miscellaneous	-	-	-	-
Transfers	(2,214)	-	64,800	-
 Total Business-Type Activities	<u>731,833</u>	<u>212,455</u>	<u>245,355</u>	<u>194,610</u>
 Total Primary Government	<u>\$ 10,961,247</u>	<u>\$ 9,719,823</u>	<u>\$ 8,706,274</u>	<u>\$ 7,766,970</u>
 Change in Net Position				
Governmental activities	\$ 315,655	\$ 1,074,582	\$ 2,834,393	\$ (799,294)
Business-type activities	849,010	1,039,754	1,146,442	1,629,028
 Total Primary Government	<u>\$ 1,164,665</u>	<u>\$ 2,114,336</u>	<u>\$ 3,980,835</u>	<u>\$ 829,734</u>

Note:

(1) Net expense is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and general revenues. Numbers in parentheses are net expenses, indicating that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program.

<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>
\$ (8,122,837)	\$ (8,185,558)	\$ (8,093,501)	\$ (8,793,805)	\$ (6,318,316)	\$ (8,968,454)
1,677,107	736,392	1,321,665	255,340	945,744	760,492
<u>\$ (6,445,730)</u>	<u>\$ (7,449,166)</u>	<u>\$ (6,771,836)</u>	<u>\$ (8,538,465)</u>	<u>\$ (5,372,572)</u>	<u>\$ (8,207,962)</u>
\$ 3,454,566	\$ 3,177,351	\$ 3,097,824	\$ 2,627,318	\$ 3,311,186	\$ 3,481,455
2,027,383	2,316,047	2,787,736	2,957,859	3,291,054	4,227,963
832,427	1,011,481	1,231,066	1,470,211	1,291,045	1,464,589
622,156	622,265	630,244	632,963	663,639	683,065
198,041	211,217	209,158	226,298	241,158	239,656
42,647	37,300	52,759	56,069	64,218	72,330
61,677	6,717	6,960	431,011	5,657	5,576
-	-	-	-	-	-
140,108	59,814	7,934	119,117	58,888	(38,649)
58,905	45,704	326,904	52,653	50,735	78,504
12,422	10,452	45,801	57,454	44,974	28,908
-	2,470,706	-	-	-	-
<u>7,450,332</u>	<u>9,969,054</u>	<u>8,396,386</u>	<u>8,630,953</u>	<u>9,022,554</u>	<u>10,243,397</u>
26,184	26,177	38,568	47,364	30,326	35,083
-	-	-	-	-	-
129,879	79,770	3,910	38,063	8,076	36,439
1,050	21,460	40,000	17,640	87	12,348
(12,422)	(10,452)	(45,801)	(57,454)	(44,974)	(28,908)
<u>144,691</u>	<u>116,955</u>	<u>36,677</u>	<u>45,613</u>	<u>(6,485)</u>	<u>54,962</u>
<u>\$ 7,595,023</u>	<u>\$ 10,086,009</u>	<u>\$ 8,433,063</u>	<u>\$ 8,676,566</u>	<u>\$ 9,016,069</u>	<u>\$ 10,298,359</u>
\$ (672,505)	\$ 1,783,496	\$ 302,885	\$ (162,852)	\$ 2,704,238	\$ 1,274,943
1,821,798	853,347	1,358,342	300,953	939,259	815,454
<u>\$ 1,149,293</u>	<u>\$ 2,636,843</u>	<u>\$ 1,661,227</u>	<u>\$ 138,101</u>	<u>\$ 3,643,497</u>	<u>\$ 2,090,397</u>

CITY OF AUBURN
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
General Fund					
Reserved	\$ 1,944,442	\$ 1,520,684	\$ 455,035	\$ 537,481	\$ -
Unreserved	2,834,572	2,608,498	2,958,087	2,309,992	-
Nonspendable	-	-	-	-	57,911
Committed	-	-	-	-	2,250,000
Unassigned	-	-	-	-	361,665
Total General Fund	<u>\$ 4,779,014</u>	<u>\$ 4,129,182</u>	<u>\$ 3,413,122</u>	<u>\$ 2,847,473</u>	<u>\$ 2,669,576</u>
All Other Governmental Funds					
Reserved	\$ -	\$ -	\$ -	\$ 341,455	\$ -
Unreserved, reported in:					
Special revenue funds	3,132,607	3,217,606	1,693,968	5,036,159	-
Debt service funds	285,509	211,420	351,502	-	-
Capital projects funds	1,236,642	1,330,653	1,244,363	824,185	-
Nonspendable	-	-	-	-	2,656
Restricted	-	-	-	-	5,086,954
Unassigned	-	-	-	-	(400,405)
Total All Other Governmental Funds	<u>\$ 4,654,758</u>	<u>\$ 4,759,679</u>	<u>\$ 3,289,833</u>	<u>\$ 6,201,799</u>	<u>\$ 4,689,205</u>

Note:

The City implemented GASB 54 for fiscal year June 30, 2011 under which fund balances are reported as nonspendable, restricted, committed, assigned and unassigned as compared to reserved and unreserved.

<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
52,166	63,016	68,408	83,387	103,084
2,250,000	2,250,000	2,250,000	2,250,000	2,700,000
425,522	679,331	1,127,255	2,301,958	3,123,198
<u>\$ 2,727,688</u>	<u>\$ 2,992,347</u>	<u>\$ 3,445,663</u>	<u>\$ 4,635,345</u>	<u>\$ 5,926,282</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,794	3,052	3,359	2,569	5,066
2,997,375	3,293,143	3,320,954	3,410,601	2,754,606
(401,645)	(400,801)	(992,262)	(448,511)	(735,137)
<u>\$ 2,598,524</u>	<u>\$ 2,895,394</u>	<u>\$ 2,332,051</u>	<u>\$ 2,964,659</u>	<u>\$ 2,024,535</u>

CITY OF AUBURN
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2006/2007	2007/2008	2008/2009	2009/2010
Revenues				
Taxes	\$ 8,784,817	\$ 8,304,456	\$ 7,541,403	\$ 6,535,207
Franchise fees	648,170	644,701	518,756	621,108
Licenses and permits	775,940	494,863	383,622	461,496
Fines and forfeitures	144,568	136,518	142,998	106,386
Use of money and property	692,204	602,385	613,929	575,533
Intergovernmental	3,828,232	3,095,930	5,712,125	2,386,783
Charges for services	268,512	277,297	179,412	146,796
Other revenues	102,009	84,244	141,737	51,712
Total Revenues	15,244,452	13,640,394	15,233,982	10,885,021
Expenditures				
Current:				
General government	2,224,760	1,777,811	1,606,237	1,452,089
Public safety	5,742,513	5,612,110	5,702,042	5,499,427
Transportation	4,368,426	3,072,594	2,096,725	1,802,750
Community development	1,737,253	1,432,675	1,494,664	1,310,866
Recreation and culture	20,654	17,586	33,292	35,979
Capital outlay	1,802,529	1,689,495	4,895,952	3,267,510
Debt service				
Principal	314,909	274,158	499,235	183,149
Interest	313,170	308,876	454,713	267,968
Administrative, issuance and other costs	-	-	105,823	-
Total Expenditures	16,524,214	14,185,305	16,888,683	13,819,738
Excess of Revenues Over (Under) Expenditures	(1,279,762)	(544,911)	(1,654,701)	(2,934,717)
Other Financial Sources (Uses)				
Bonds issued	-	-	4,805,000	-
Discounts on debt issued	-	-	(102,677)	-
Capital lease	-	-	-	47,506
Issuance of debt	-	-	-	-
Transfers in	292,399	236,616	906,258	425,902
Transfers out	(290,185)	(236,616)	(906,258)	(425,902)
Total Other Financial Sources (Uses)	2,214	-	4,702,323	47,506
Extraordinary loss	-	-	-	-
Net Change in Fund Balances	\$ (1,277,548)	\$ (544,911)	\$ 3,047,622	\$ (2,887,211)
Debt Service as a Percentage of Noncapital Expenditures	1.22%	4.35%	4.66%	8.81%

2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
\$ 7,162,454	\$ 7,510,603	\$ 8,008,787	\$ 7,970,718	\$ 8,871,408	\$ 10,169,058
-	-	-	-	-	-
326,069	301,267	631,012	334,890	425,675	363,765
103,169	74,950	62,369	50,287	48,391	55,479
452,064	360,115	299,653	404,117	354,682	257,104
2,253,448	1,463,061	2,574,725	3,005,541	3,677,529	2,282,180
108,315	145,561	134,332	143,464	185,680	211,759
58,905	45,704	326,904	52,653	50,735	78,504
10,464,424	9,901,261	12,037,782	11,961,670	13,614,100	13,417,849
1,194,839	1,510,220	1,755,477	1,285,454	1,535,156	1,624,101
5,119,592	5,267,512	5,513,843	6,135,398	5,970,331	6,166,988
2,445,107	1,716,030	2,427,123	2,142,154	2,065,210	3,092,363
878,671	667,861	690,856	934,437	625,686	423,018
-	-	-	-	-	-
1,779,017	1,032,454	1,301,682	1,030,225	1,073,781	1,030,281
208,222	140,383	207,403	331,993	359,490	363,856
541,889	382,928	268,691	269,490	254,807	243,633
-	-	-	-	-	-
12,167,337	10,717,388	12,165,075	12,129,151	11,884,461	12,944,240
(1,702,913)	(816,127)	(127,293)	(167,481)	1,729,639	473,609
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	643,021	-	-	99,876
590,279	135,091	194,531	198,963	205,896	627,682
(577,857)	(124,639)	(148,730)	(141,509)	(160,922)	(598,774)
12,422	10,452	688,822	57,454	44,974	128,784
-	(1,498,454)	-	-	-	-
\$ (1,690,491)	\$ (2,304,129)	\$ 561,529	\$ (110,027)	\$ 1,774,613	\$ 602,393
4.13%	7.22%	5.40%	5.40%	5.68%	5.10%

CITY OF AUBURN
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Secured Assessed	Unsecured Assessed	SBE Nonunitary	Total Assessed Value	Total Direct Tax Rate
2006/2007	1,478,002,889	158,877,563	5,513,599	1,642,394,051	0.180%
2007/2008	1,583,853,765	156,130,293	5,008,642	1,744,992,700	0.175%
2008/2009	1,612,546,567	160,697,268	5,008,642	1,778,252,477	0.170%
2009/2010	1,565,471,834	137,416,307	6,108,574	1,708,996,715	0.183%
2010/2011	1,459,926,130	127,203,203	6,108,574	1,593,237,907	0.175%
2011/2012	1,414,716,041	126,266,033	6,108,574	1,547,090,648	0.174%
2012/2013	1,410,935,273	127,048,007	6,108,574	1,544,091,854	0.173%
2013/2014	1,472,660,455	123,709,189	6,579,866	1,602,949,510	0.133%
2014/2015	1,562,401,407	124,429,822	6,579,866	1,693,411,095	0.133%
2015/2016	1,677,425,526	127,084,453	6,579,866	1,811,089,845	0.133%

Note:

Prior year information has changed due to updated information provided by the City.

In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property tax may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of the taxable property and is subject to the limitations described above.

Source:

Placer County Assessor

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CITY OF AUBURN
Property Tax Rates - All Overlapping Governments
Last Ten Fiscal Years
(Rate per \$100 of Taxable Value)

Fiscal Year	Direct Rate	Overlapping Rates			Total Rate (b)
	Local Government Rate (a)	City of Auburn B & I	Nevada Irrigation	Placer Union High	
2006/2007	1.00	0.0072	0.0033	0.02226	1.03276
2007/2008	1.00	0.0019	0.0030	0.02004	1.02494
2008/2009	1.00	-	0.0025	0.02009	1.02259
2009/2010	1.00	-	0.0021	0.02177	1.02387
2010/2011	1.00	-	0.0023	0.02651	1.02881
2011/2012	1.00	-	0.0026	0.02628	1.02888
2012/2013	1.00	-	-	0.02848	1.02848
2013/2014	1.00	-	-	0.02799	1.02799
2014/2015	1.00	-	-	0.01939	1.01939
2015/2016	1.00	-	-	0.01465	1.01465

Notes:

Prior year information has changed due to updated information provided by the City.

- (a) In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owner are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
- (b) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.
- (c) City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. ERAF general fund tax shifts may not be included in tax ratio figures.
- (d) Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.
- (e) Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City/Agency in the same proportions as general fund revenue.

Source:

Placer County Assessor

City's Share of 1% Levy Per Prop 13 (c)	Voter Approved City Debt Rate	Redevelopment Rate (d)	Total Direct Rate (e)
0.17471	0.0072	1.0072	0.17974
0.17471	0.0019	1.0019	0.17521
0.17471	-	1.0000	0.17007
0.17471	-	1.0000	0.18274
0.17471	-	1.0000	0.17539
0.17471	-	1.0000	0.17370
0.17471	-	-	0.17340
0.17471	-	-	0.13324
0.17471	-	-	0.13330
0.17471	-	-	0.13348

CITY OF AUBURN
Principal Property Tax Payers
Current Year and Nine Years Ago

	Fiscal Year 2015/2016	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Taxpayer		
UAIC Development Corporation	\$ 14,055,439	0.78%
Auburn Creekside Bldgs A and E LLC	13,705,173	0.76%
The Abbey Company	10,049,926	0.55%
Regal Cinemas Inc	9,605,858	0.53%
Reneson Hotels Inc Etal	9,317,730	0.51%
Miltenyi Biotec Inc	8,369,589	0.46%
Union Pacific Railroad Company	6,579,866	0.36%
Foothill Terrace Apartments Inc	5,736,463	0.32%
Auburn Nevada Street Property Ptnshp	5,067,118	0.28%
RMP Properties LLC	4,990,000	0.28%
	\$ 87,477,162	4.83%
Total City of Auburn assessed property valuation Fiscal Year 2015/16		\$ 1,811,089,845

	Fiscal Year 2006/2007	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Taxpayer		
Coherent Inc	\$ 37,945,176	2.31%
Regal Cinemas, Inc.	11,526,460	0.70%
Reneson Hotels Inc Etal	11,149,480	0.68%
Carpernter Advanced Ceramics Inc	6,601,980	0.40%
Cobblestone Pacific LLC	6,467,600	0.39%
Jewel Food Stores Inc	5,735,935	0.35%
Union Pacific Railroad Company	5,513,599	0.34%
Foothill Terrace Investors JV Etal	5,037,914	0.31%
Auburn Town Square LLC	4,864,590	0.30%
Alfred and Peggy Lee	4,825,865	0.29%
	\$ 99,668,599	6.07%
Total City of Auburn assessed property valuation Fiscal Year 2006/07		\$ 1,642,394,051

Notes:

Prior year information has changed due to updated information provided by the City.

Source:

Placer County Assessor

CITY OF AUBURN
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2006/2007	4,118,329	4,118,329	100.00%	-	4,118,329	100.00%
2007/2008	4,402,015	4,402,015	100.00%	-	4,402,015	100.00%
2008/2009	4,084,946	4,084,946	100.00%	-	4,084,946	100.00%
2009/2010	3,923,742	3,923,742	100.00%	-	3,923,742	100.00%
2010/2011	3,726,242	3,726,242	100.00%	-	3,726,242	100.00%
2011/2012	3,403,509	3,403,509	100.00%	-	3,403,509	100.00%
2012/2013	3,520,802	3,520,802	100.00%	-	3,520,802	100.00%
2013/2014	3,080,832	3,080,832	100.00%	-	3,080,832	100.00%
2014/2015	3,775,327	3,775,327	100.00%	-	3,775,327	100.00%
2015/2016	3,773,778	3,773,778	100.00%	-	3,773,778	100.00%

Sources:

Auditor-Controller's Office, County of Placer

Administrative Services Department, City of Auburn

CITY OF AUBURN
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities						Total
	General Obligation Bonds	Pension Obligation Bonds	Tax Allocation Bonds	Loans and Notes Payable	Due to Other Agencies	Capital Leases	
2006/2007	290,000	4,900,000	-	56,931	58,815	269,046	5,574,792
2007/2008	150,000	4,845,000	-	44,954	33,512	182,815	5,256,281
2008/2009	-	4,775,000	4,530,746	32,570	31,278	93,177	9,462,771
2009/2010	-	4,685,000	4,459,169	19,832	29,044	46,269	9,239,314
2010/2011	-	4,575,000	4,387,592	6,710	26,810	38,404	9,034,516
2011/2012	-	4,450,000	-	-	-	29,731	4,479,731
2012/2013	-	4,305,000	-	-	-	610,349	4,915,349
2013/2014	-	4,130,000	-	-	-	453,356	4,583,356
2014/2015	-	3,930,000	-	-	-	293,866	4,223,866
2015/2016	-	3,700,000	-	-	-	317,329	4,017,329

Notes:

(1) See Demographic and Economic Statistics schedule for personal income and population data.

(2) See Assessed Value and Estimated Actual Value of Taxable Property schedule for property value data.

n/a - information is not available until the following year

Sources:

Auditor-Controller's Office, County of Placer

Administrative Services Department, City of Auburn

Business-Type Activities

Loans and Notes Payable	Revenue Bonds	Total	Total Primary Government	Percentage of Personal Income (1)	Percentage of Assessed Value (2)	Per Capita (1)
4,691,134	-	4,691,134	10,265,926	2.63%	0.63%	785
4,341,925	-	4,341,925	9,598,206	2.34%	0.55%	726
3,987,580	-	3,987,580	13,450,351	3.23%	0.76%	1,010
3,628,100	8,187,914	11,816,014	21,055,328	5.13%	1.23%	1,561
3,263,482	8,036,606	11,300,088	20,334,604	4.63%	1.28%	1,498
2,893,728	7,885,298	10,779,026	15,258,757	3.11%	0.99%	1,133
2,178,739	7,728,990	9,907,729	14,823,078	2.09%	0.96%	1,102
1,845,752	7,567,683	9,413,435	13,996,791	n/a	0.87%	1,014
1,507,628	7,401,377	8,909,005	13,132,871	n/a	0.78%	950
1,154,807	7,230,070	8,384,877	12,402,206	n/a	0.68%	881

CITY OF AUBURN
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Percent of Assessed Value (1)	Population	Per Capita
	General Obligation Bonds	Pension Obligation Bonds	Total			
2006/2007	290,000	4,900,000	5,190,000	0.32%	13,112	396
2007/2008	150,000	4,845,000	4,995,000	0.29%	13,273	376
2008/2009	-	4,775,000	4,775,000	0.27%	13,432	355
2009/2010	-	4,685,000	4,685,000	0.27%	13,578	345
2010/2011	-	4,575,000	4,575,000	0.29%	13,410	341
2011/2012	-	4,450,000	4,450,000	0.29%	13,468	330
2012/2013	-	4,305,000	4,305,000	0.28%	13,446	320
2013/2014	-	4,130,000	4,130,000	0.26%	13,660	302
2014/2015	-	3,930,000	3,930,000	0.23%	13,960	282
2015/2016	-	3,700,000	3,700,000	0.20%	14,070	263

Note:

(1) See Assessed Value and Estimated Actual Value of Taxable Property schedule for property value data.

Sources:

Auditor-Controller's Office, County of Placer

Administrative Services Department, City of Auburn

CITY OF AUBURN
Direct and Overlapping Bonded Debt
As of June 30, 2016

City Assessed Valuation		<u>\$ 1,811,336,819</u>	
	Percent Applicable	Outstanding Debt June 30, 2016	Estimated Share of Overlapping Debt
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Placer Union High School District	14.562%	\$ 26,417,543	\$ 3,846,923
Total Overlapping Tax and Assessment Debt		<u>26,417,543</u>	<u>3,846,923</u>
OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
Placer County General Fund Obligations	2.829%	\$ 33,910,000	959,314
Placer County Office of Education Certificates of Participations	2.829%	1,480,000	41,869
Sierra Joint Community College District General Fund Obligations	2.139%	7,254,000	155,163
Placer Union High School District Certificates of Participation	14.562%	3,765,000	548,259
Auburn Union School District Certificates of Participation	40.325%	39,672,117	15,997,781
Loomis Union School District Certificates of Participation	0.004%	2,805,000	112
Placer Mosquito and Vector Control District COPS	2.829%	3,705,000	104,814
Total Overlapping General Fund Obligation Debt		<u>92,591,117</u>	<u>17,807,313</u>
OVERLAPPING TAX INCREMENT DEBT:	100.000%	<u>4,405,000</u>	<u>4,405,000</u>
Total Overlapping Debt		<u>123,413,660</u>	<u>26,059,236</u>
DIRECT GENERAL FUND OBLIGATION DEBT:			
City of Auburn Pension Obligations	100.000%	3,700,000	3,700,000
Capital leases	100.000%	317,329	317,329
Total Direct Debt		<u>4,017,329</u>	<u>4,017,329</u>
Total Combined Debt		<u>\$ 127,430,989</u>	<u>\$ 30,076,565</u>
RATIOS TO 2015/2016 ASSESSED VALUATION:			
Total Overlapping Tax and Assessment Debt	0.210%		
RATIOS TO ADJUSTED ASSESSED VALUATION:			
Combined Direct Debt (\$4,017,329)	0.200%		
Combined Total Debt	1.640%		

Note:

The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the City divided by the district's total taxable assessed value.

Sources:

Auditor-Controller's Office, County of Placer
Administrative Services Department, City of Auburn
California Municipal Statistics

CITY OF AUBURN
Computation of Legal Bonded Debt Margin
June 30, 2016

Secured Property Assessed Value, Net of Exempt Real Property	<u>\$ 1,677,425,526</u>
Bonded debt limit (3.75% of assessed value) (1)	\$ 62,903,457
Less debt subject to limit:	
Total pension obligation bonds at 06/30/16	(3,930,000)
Total sewer revenue bonds at 06/30/16	<u>(7,401,377)</u>
Legal debt margin	<u>\$ 51,572,080</u>

Note:

(1) California Government Code Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value at full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

Sources:

Auditor-Controller's Office, County of Placer
Administrative Services Department, City of Auburn

CITY OF AUBURN
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population	Personal Income		Taxable Assessed Valuation	Per Capita Taxable Property Values	Average Unemployment Rate
		Total	Per Capita			
2007	13,074	390,229,000	29,848	1,739,635,788	132,675	3.3%
2008	13,214	409,979,000	31,026	1,850,275,254	139,401	3.8%
2009	13,313	416,676,000	31,298	1,999,941,536	148,894	5.2%
2010	13,489	410,670,000	30,445	1,921,190,548	141,493	8.6%
2011	13,578	438,936,000	32,327	1,794,952,305	134,955	9.3%
2012	13,468	489,912,000	36,376	1,745,535,004	129,606	8.7%
2013	13,446	464,519,000	34,547	1,544,091,854	112,867	5.8%
2014	13,804	448,975,000	32,525	1,602,949,510	115,359	4.9%
2015	13,817	494,220,000	35,769	1,693,411,095	116,603	7.3%
2016	14,070	494,271,000	35,129	1,811,089,845	128,720	5.9%

Notes:

Prior year information has changed due to updated information provided by the City.

Sources:

California State Department of Finance
California Employment Development Department

CITY OF AUBURN
Principal Employers
Current Year and Nine Years Ago

Employer	Fiscal Year 2015/2016		Fiscal Year 2006/2007	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Placer County Water Agency	194	2.23%	166	2.00%
Pride Industries	175	2.01%	141	1.70%
AT & T	94	1.08%	-	-
Auburn Journal	92	1.06%	110	1.33%
Auburn Placer Disposal - Recology	81	0.93%	73	0.88%
United States Post Office	68	0.78%	96	1.16%
City of Auburn	79	0.90%	104	1.25%
Placer County (Domes Offices)	59	0.68%	-	-
Nella Oil	84	0.97%	530	6.39%
Miltenyi Biotech	53	0.61%	-	-
Coherent	-	-	305	3.67%
Pacific Bell Telephone	-	-	160	1.93%
Gottschalks	-	-	100	1.20%

Sources:

Auburn Area Chamber of Commerce
Employment Development Department, State of California

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CITY OF AUBURN
Full-Time and Part-Time City Government Employees
Last Ten Fiscal Years

	As of June 30,			
	2007	2008	2009	2010
City Council	5.00	5.00	5.00	5.00
City Manager's Office	1.50	1.00	1.00	1.00
City Clerk's Office	2.00	2.00	2.00	2.00
Finance/Administrative Services	8.00	6.00	4.00	4.00
Community Development	10.00	8.00	6.50	6.50
Police Department	36.50	36.00	35.00	30.00
Fire Department	13.00	13.00	11.00	11.00
Public Works	27.00	21.50	19.50	18.50
Airport	1.00	-	-	-
Total Full-Time Equivalent Employees	104.00	92.50	84.00	78.00

Source:

Administrative Services Department, City of Auburn

2011	2012	2013	2014	2015	2016
5.00	5.00	5.00	5.00	5.00	5.00
1.00	1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00
4.00	4.00	4.00	4.00	4.00	4.00
5.50	5.50	5.50	4.00	3.00	3.00
28.00	28.00	28.00	28.00	26.00	26.00
11.00	11.00	16.00	16.00	12.00	16.00
18.50	17.50	18.00	18.00	17.00	17.00
-	-	-	-	-	-
75.00	74.00	79.50	78.00	70.00	74.00

CITY OF AUBURN
Operating Indicators
Last Ten Fiscal Years

	Fiscal Year			
	2006/2007	2007/2008	2008/2009	2009/2010
Auburn Airport:				
Tie-downs per year	1,020	1,044	1,034	916
Hangar rentals per year	120	88	83	80
Gallons of fuel sold per year	249,094	211,992	209,467	168,016
Enviroment and Utilities				
Gallons of wastewater treated per year (in millions)	530	451	446	481
Fire				
Fires per year	80	210	108	114
Emergency medical calls per year	1,093	1,106	1,333	1,377
Hazardous materials incidents per year	27	20	47	63
Non-emergency service calls per year	295	251	336	314
Police				
911 calls per year	2,819	2,666	2,325	2,541
Cases investigated per year	4,271	5,172	4,986	5,377
Arrests per year (1)	1,164	1,160	1,134	825
Building Permits				
Building permits issued per year	596	590	455	461
New building and alteration valuation	\$ 25,330,689	\$ 14,450,089	\$ 12,391,787	\$ 17,084,250

Note:

(1) Includes both physical arrests and citations

Source:

City of Auburn

2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
803	884	884	884	884	884
73	62	62	62	108	108
134,040	168,422	192,481	169,754	204,299	201,945
612	506	501	423	363	374
114	86	110	136	95	75
1,238	1,317	1,377	1,224	1,262	1,175
51	36	40	29	36	38
312	257	297	432	411	481
2,665	306	4,442	5,194	4,964	4,780
4,731	2,864	2,177	2,733	2,053	1,570
770	542	689	687	775	535
660	484	473	528	607	679
\$ 11,844,465	\$ 10,573,919	\$ 14,845,275	\$ 12,993,989	\$ 18,597,176	\$ 16,251,607

CITY OF AUBURN
Capital Asset Statistics
Last Ten Fiscal Years

	Fiscal Year			
	2006/2007	2007/2008	2008/2009	2009/2010
Auburn Airport				
Terminals (Airport Management Building)	1	1	1	1
Runways	1	1	1	1
Airport hangars	81	81	81	81
Environment and Utilities				
Miles of municipal sewer mains	62	62	62	62
Maximum daily capacity (gallons per day)	2,000,000	2,000,000	2,000,000	2,000,000
Fire				
Full-time staffed positions	1	1	1	1
Volunteer stations	2	2	2	2
Police				
Stations	1	1	1	1
Vehicles and motorcycles	27	27	27	29
Community Development				
Miles of municipal roadways	62	62	62	62
Pocket park sites	10	10	11	11

Source:
City of Auburn

2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
1	1	1	1	1	1
1	1	1	1	1	1
81	81	81	81	108	108
62	62	62	50	50	50
2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
1	1	1	1	1	1
2	2	2	2	2	2
1	1	1	1	1	1
29	29	23	29	29	29
62	62	62	62	62	62
11	11	11	11	11	11

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